



# PUBLIC VIEWS ON OILSANDS REFINING & PIPELINES

JULY 2017

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# RESEARCH METHODOLOGY



- Study fielded via online research panel
  - Field dates: June 22 to 28, 2017
  - Panel source: Voice of Alberta & Angus Reid Forum
- n=1142
- Weighted to reflect gender, age and region of Alberta population according to Stats Canada
- This online survey utilizes a representative but non-random sample, therefore margin of error is not applicable. However, a probability sample of this size would yield a margin of error of +/- 2.9 percentage points at a 95% confidence interval.
- Accuracy of sub-samples of the data decline based on sample sizes

## REGIONAL SAMPLE SIZES AND MARGINS OF ERROR



	Total Interviews (Unweighted) (n)	Total Interviews (Weighted) (n)	Margin of Error (Associated with a probability sample of this size)
ALBERTA TOTAL	1142	1142	+/- 2.9
Calgary	392	383	+/- 4.9
Edmonton	333	348	+/- 5.4
North	102	148	+/- 9.7
Central	164	138	+/- 7.7
South	151	125	+/- 8.0



# OILSANDS REFINING & PIPELINES

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# PIPELINES & REFINING IN ALBERTA

## -KEY FINDINGS

The recent provincial election in B.C. has added a new wrinkle to the development of an expanded Kinder Morgan pipeline to the west coast. Christie Clark's Liberals fell short in their bid to hold power, now relegated to the Opposition benches in favour of an NDP-Green Party coalition. Though approval for the Kinder Morgan pipeline lies outside of provincial jurisdiction, this new political development casts some doubt on its completion.

With this in mind, our June survey revisited some questions we asked in 2011 about public attitudes regarding pipelines, and upgrading and refining of Alberta's oilsands at home:

- Gaining more market access through pipelines is a provincial preoccupation in Alberta, however interestingly, in the public's mind adding more upgrading and refining capacity in the province is at least equally (if not more) important
- A large majority (75%) of Albertans believe the Province should be doing more to encourage development of new upgrading and refinery capacity in Alberta
  - This represents a small drop since 2011



# PIPELINES & REFINING IN ALBERTA

## -KEY FINDINGS, CONT.

- Despite recent controversies, three-quarters (73%) of Albertans endorse the financial arrangement which led to the construction of a new refinery in Sturgeon County (i.e. using long-term contracts of BRIK as a base to finance) vs. only 10% who disapprove
  - Support for this mechanism has eroded slightly (5%) since we first asked the question in 2011, however opposition remains unchanged
- BRIK contracts are the most well-received means of government action to increase refining in Alberta, but not the only tool which a majority endorse
  - Tax incentives, lease conditions and even differential royalties on exports enjoy support from significant majorities of Alberta voters
  - A bare majority supports loan-guarantees
  - Other mechanisms such as creation of a Crown Corp., restrictions on exports and operating subsidies receive mixed evaluations from Albertans
  - Direct investment of provincial tax dollars into private sector projects is not an approach most Albertans would support
- Though still popular with many, mechanisms that would restrict oilsands development or make exporting bitumen more expensive or more difficult have dropped in support over the past six years



# OILSANDS BITUMEN UPGRADING & REFINING

## -SURVEY DESCRIPTION



Alberta's oilsands produce a substance called bitumen. Bitumen is a thick form of oil that requires additional processing before it can be used like traditional crude oil. This process is called "upgrading". So for instance, oilsands bitumen needs to be upgraded before a refinery can use it to make fuel.

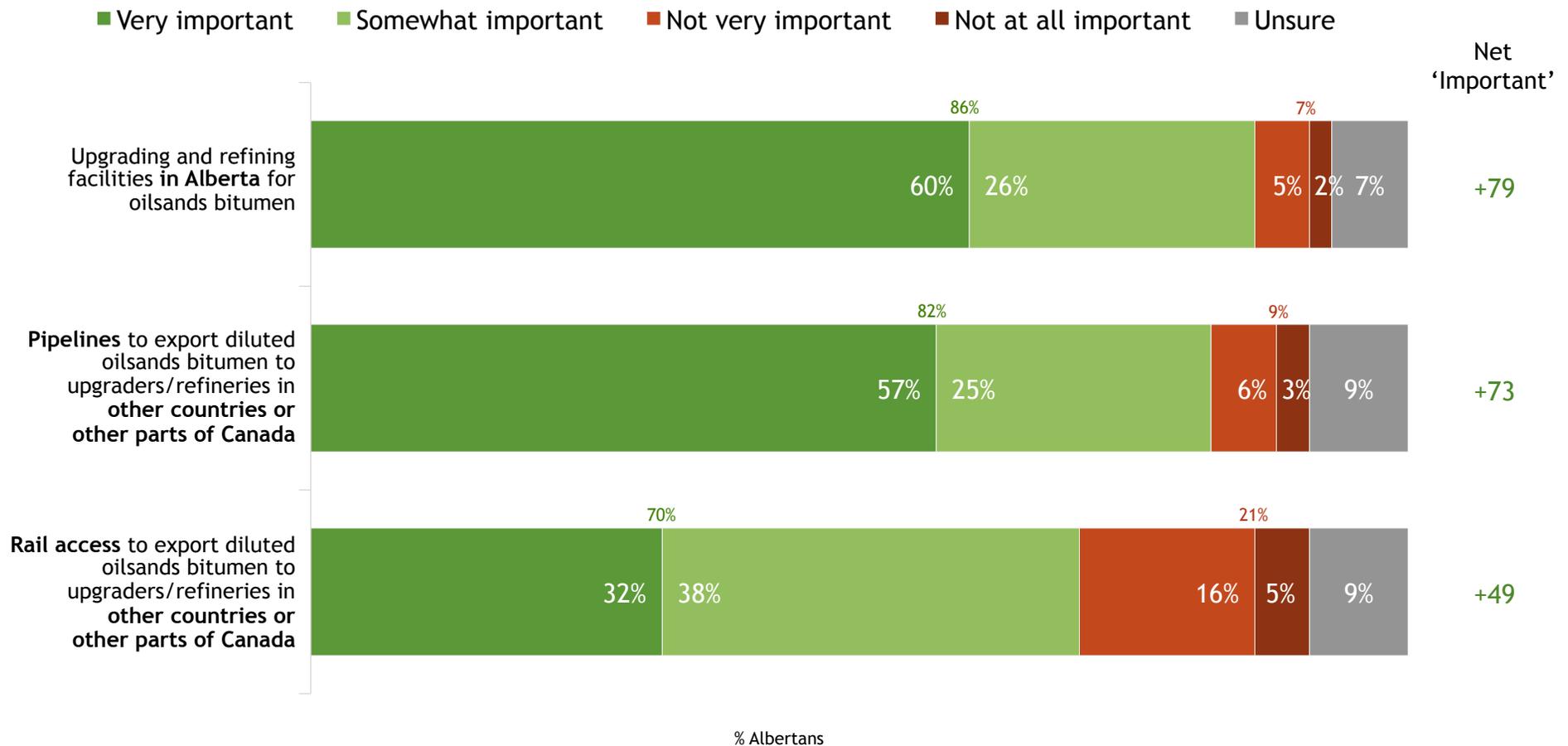
Sometimes upgrading and refining occurs in Alberta and other times bitumen is diluted and shipped somewhere else to be upgraded and/or refined into fuel.



# IMPORTANCE OF ALBERTA OILSANDS TO PROVINCIAL ECONOMY



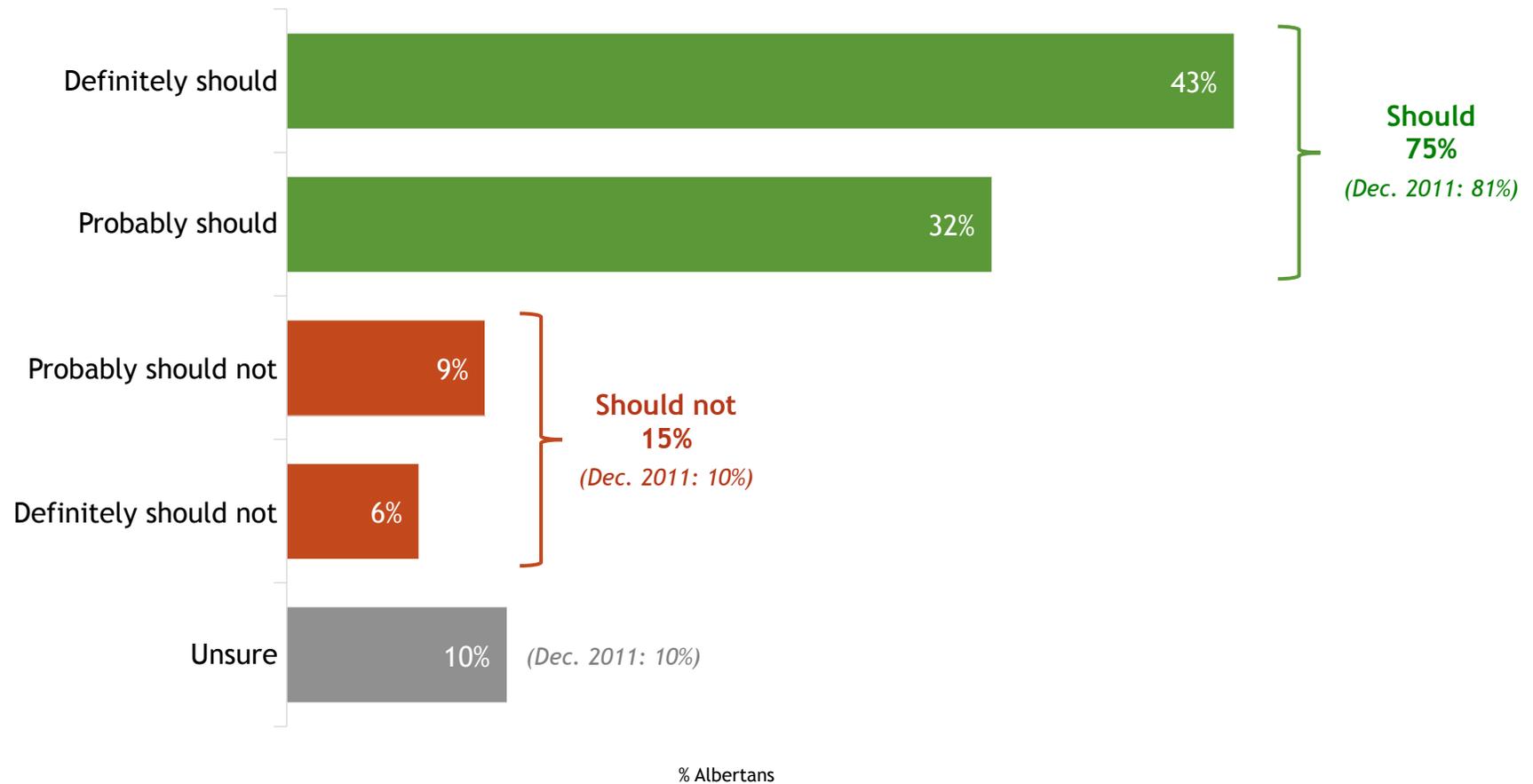
When it comes to Alberta's oilsands and their contribution to the province's economy, how important would you personally say each of the following is?



# PUBLIC SUPPORT FOR GOVERNMENT ACTION TO INCREASE UPGRADER/REFINERY ACTIVITY



Thinking about the future, overall do you think the Provincial Government should or should not be taking steps to increase the amount of oilsands upgrading and refining done here in Alberta?



# BITUMEN ROYALTY IN-KIND (BRIK) -SURVEY DESCRIPTION

The Provincial Government collects royalties on all oilsands production. The government can receive a portion of oilsands royalties in actual bitumen - this is called Bitumen Royalty In-Kind or BRIK.

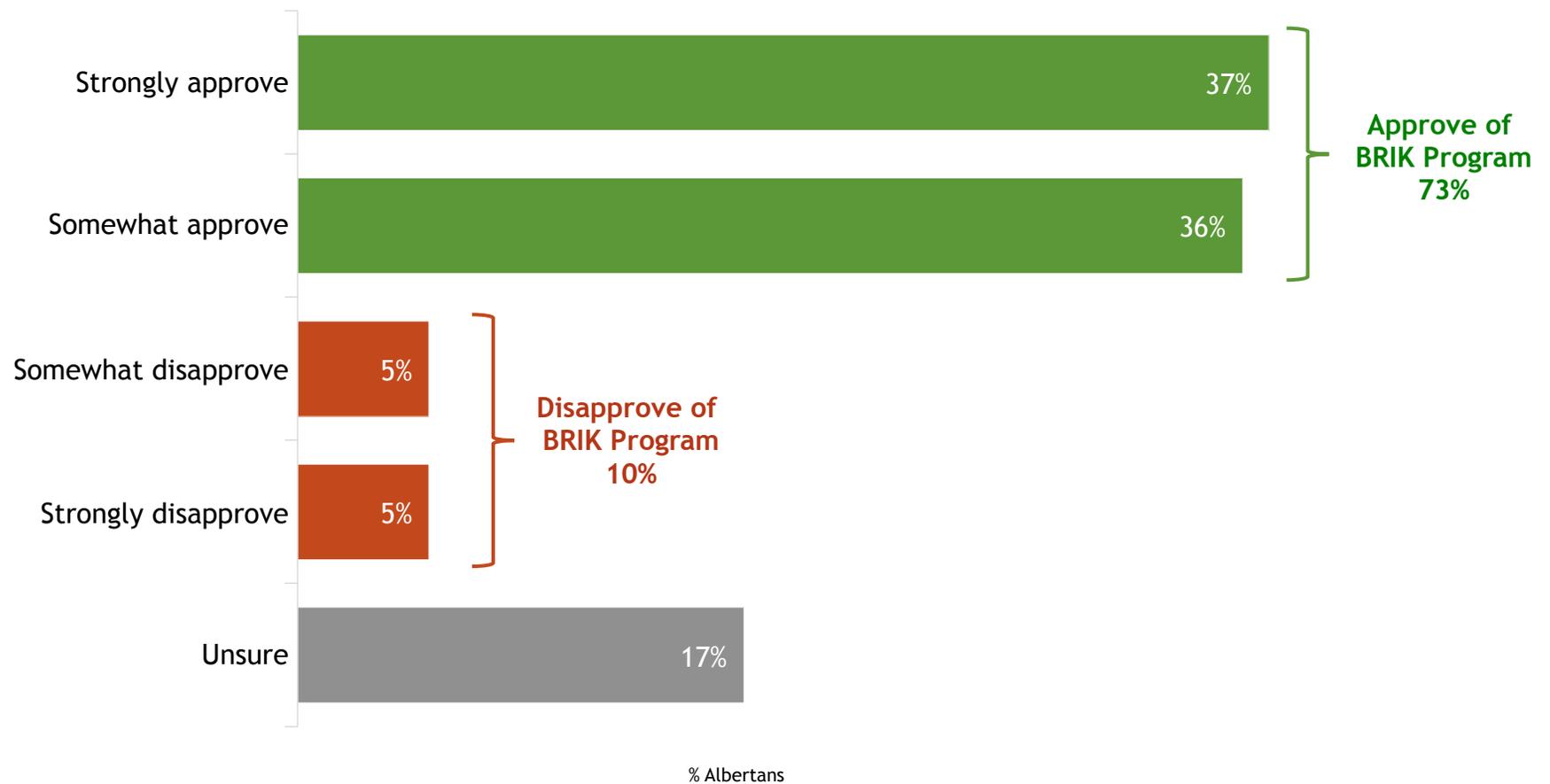
A new refinery under construction near Edmonton was able to be financed and built due to a long-term agreement to refine a portion of the government's royalty bitumen. The government is then able to sell the refined barrels on the market for a higher price.



# PUBLIC VIEWS ON PROVINCIAL BRIK PROGRAM



Overall would you say you approve or disapprove of this approach to increasing the amount of upgrading/refining of oilsands in Alberta?

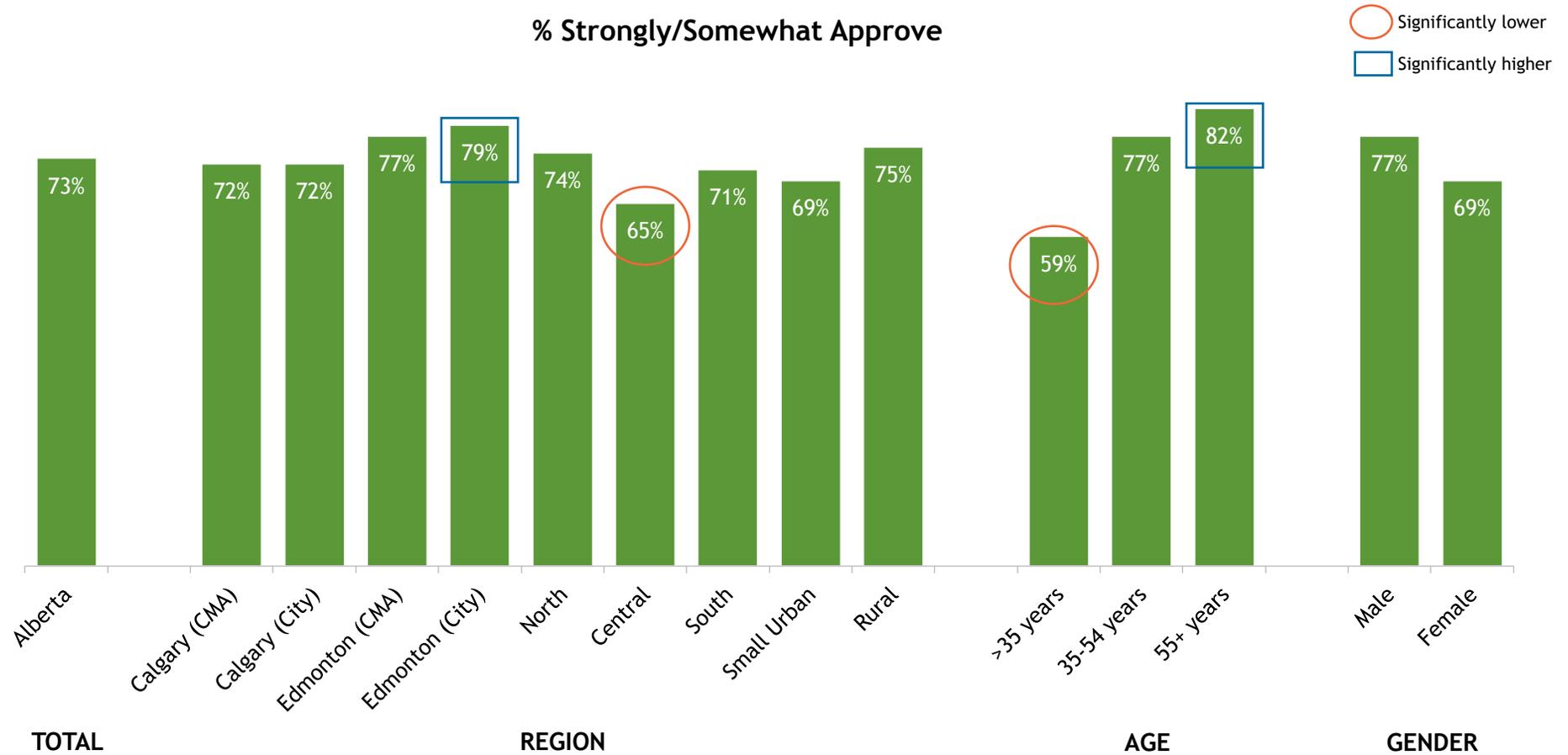


# PUBLIC VIEWS ON PROVINCIAL BRIK PROGRAM

## -BY KEY DEMOGRAPHICS



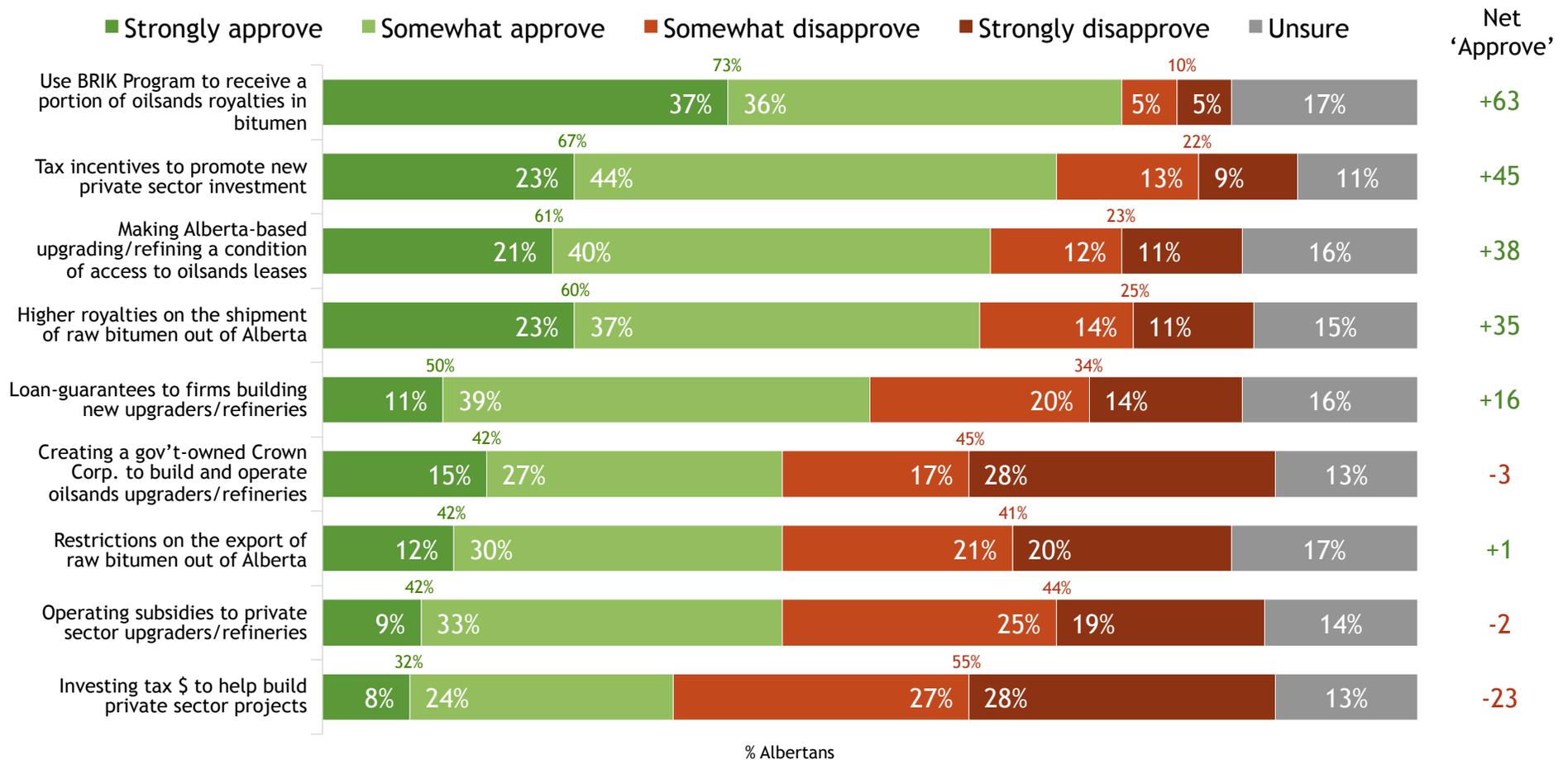
Overall would you say you approve or disapprove of this approach to increasing the amount of upgrading/refining of oilsands in Alberta?



# PUBLIC SUPPORT FOR MEASURES TO INCREASE UPGRADING/REFINING ACTIVITY IN ALBERTA



The following is a list of different things the Provincial Government could do to try to add more bitumen upgrading and refining in Alberta. Please tell us if you would personally approve or disapprove of the provincial government taking that approach.



# PUBLIC SUPPORT FOR MEASURES TO INCREASE UPGRADING/REFINING ACTIVITY IN ALBERTA

## -TRACKING



The following is a list of different things the Provincial Government could do to try to add more bitumen upgrading and refining in Alberta. Please tell us if you would personally approve or disapprove of the provincial government taking that approach.

	Approve			Disapprove		
	2017	2011	Shift in Approval	2017	2011	Shift in Disapproval
Use BRIK Program to receive a portion of oilsands royalties in bitumen	73%	78%	-5	10%	10%	-
Tax incentives to promote new private sector investment	67%	56%	+11	22%	32%	-10
Making Alberta-based upgrading/refining a condition of access to oilsands leases	61%	73%	-12	23%	14%	+9
Higher royalties on the shipment of raw bitumen out of Alberta	60%	73%	-13	25%	15%	+10
Loan-guarantees to firms building new upgraders/refineries	50%	49%	+1	34%	36%	-2
Creating a Crown Corp. to build/operate oilsands upgraders/refineries	42%	42%	-	45%	43%	+2
Restrictions on the export of raw bitumen out of Alberta	42%	61%	-19	41%	24%	+17
Operating subsidies to private sector upgraders/refineries	42%	37%	+5	44%	49%	-5
Investing tax \$ to help build private sector projects	32%	30%	+2	55%	58%	-3



## Want to have your say about topics and issues that affect Albertans?

Voice of Alberta is a rapidly growing online community of Albertans who are interested in shaping the future of their community, province and nation. We bring current political, business and social issues to you and ask for your views. In return, we share the results in publications like the one you're reading now, through traditional and social media, and in member-exclusive newsletters.

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