An Energy-Based Economy Requires "Commercially Reasonable" Approval Timelines

Amid ongoing efforts to identify ways for Canada to become less dependent on the U.S., partner Michael Fortier says launching more mining and energy projects is one way to do so. The approvals for such projects, however, need to come within a "commercially reasonable time frame."

Michael's quote was referenced in an opinion piece in *The Globe and Mail* discussing challenges surrounding the approval process for large resource projects in Canada.

Currently, major resource projects in Canada must go through an approval process conducted by the Impact Assessment Agency of Canada (IAAC). However, since the agency was established in 2019, only one project—the Cedar LNG terminal in British Columbia—has been approved. The approval was also granted on a technicality, Michael says, as it was argued that the approval could act as a replacement for an environmental assessment that was part of the IAAC's process.

"The holdups on major projects start with a 'more is better' regulatory ethos that, by many accounts, results in a tremendous amount of unnecessary work, confusion and delay," Michael says. He also added that the IAAC has been reviewing numerous projects for more than four years, with more years of study and review expected.

In Ontario, Michael says the provincial government has shown that getting major projects through necessary approvals is possible. Following several years of delays, provincial civil servants were informed they had 24 months to review renewable energy projects. The result, Michael says, was that “good projects got approval in a commercially reasonable time frame”.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

Author: Michael J. Fortier

Torys LLP