

BY MAX FAWCETT

WHY WORRIES ABOUT
RACHEL NOTLEY'S
APPROACH TO THE
ENERGY SECTOR MIGHT
BE OVERBLOWN

Fear Factor



If you didn't know any better, you might have thought that Mother Nature was giving Calgarians a sneak preview of what was about to unfold. On May 5, with a couple of hours left before the voting stations closed, a stiff wind kicked up suddenly across the city. By nine o'clock it was clear that the governing Progressive Conservatives were going to be tossed out of office by the first real wind of change that had blown through the province in more than 40 years. Rachel Notley, the first daughter of Alberta's New Democratic Party and a former labor lawyer, would become the province's next premier. The initial response by those who hadn't voted out the PCs was that those who had would quickly come to regret their decision. *Calgary Herald* columnist Licia Corbella captured that gut reaction in an election-night tweet in which she described the NDP majority as an unmitigated disaster for the province. "The oil patch will pack up and leave. Woe is us." >>



The sharp selloff on the TSX Energy subindex the next morning certainly seemed to confirm those fears.

And while those losses were pared back over the course of the rest of the week, the narrative was already well established. It went something like this: Just as it had in British Columbia and Ontario in the 1990s, an NDP government in Alberta in 2015 would grievously injure its economy through a combination of incompetent bungling and ideological meddling. And the energy sector, of course, would take the brunt of that, given both the NDP's longstanding antipathy towards its objectives and the fact that many of its leaders were card-carrying members of the party the NDP had just swept from office. Corporate taxes were going up. A royalty review was coming. And disaster was imminent. There was just one wrinkle in that narrative: Rachel Notley.

Her credentials as a social democrat are unimpeachable. As the daughter of the Alberta NDP's longest serving leader and a man who was elevated to the status of hero after he died in a plane crash in 1984, she was born to run for office under the orange banner. But Ujjal Dosanjh, the former attorney general and premier of British Columbia – and a New Democrat at the time of both – says Notley isn't an ideological warrior. Instead, he remembers her as someone who was open-minded and pragmatic, clear in her convictions but willing to test them against new evidence or information. "She was exceptionally bright, very sure of herself, very confident," he says. "And she was very inquisitive – not a closed mind at all. I think that's one of the worries that people have. You mention the word NDP and there is this stereotype in people's minds that somehow you're a cultist."

That image of Notley as a practical politician rather than an ideological purist is one that comes up often when talking to those who know her. As such, a better point of comparison than Ontario's Bob Rae or B.C.'s Glen Clark might be former Manitoba premier Gary Doer, a New Democrat who governed for the better part of a decade and managed to avoid burning the economy

to the ground. Paul Thomas, a professor at the University of Manitoba and someone who has studied Doer, says that Alberta's new premier appears to have a lot in common with him. "What I've seen out of Rachel Notley is that she's not highly ideological," he says. "That's not to say she doesn't have an underlying set of philosophical beliefs or an orientation to the role of the government, but that's balanced by pragmatism and a recognition of the limits of what can be done within a province like Alberta. Doer was certainly like that."

That pragmatism almost certainly means that a direct attack on the oil and gas sector isn't in the cards. Never mind the fact that she has to teach a caucus filled with people who were until very recently university students and restaurant managers how to move legislation forward and function effectively as a unified caucus, or that she needs oil and gas tax revenues to fund the promises she's made to Albertans. There's also the fact that an attack on the energy sector would amount to a declaration of war against both the current federal government and her neighbors to the east and west, and she's seen first-hand what happens when an NDP premier tries to do that. "Not to be uncharitable to my predecessor, Mr. Clark, but we lived through some rough times during his tenure," Dosanjh says. "I think, from there, she picked up that she has to work with the federal government and she has to work with the other provinces if she's going to make a go of Alberta's economy. You can't be an island unto yourself in this country."

That doesn't mean she's likely to back away from the royalty review or the corporate tax hike that she promised Albertans during her campaign. Those promises didn't sit well with executives like Bonterra Resources's George Fink and Cenovus Energy's Brian Ferguson, who aired their concerns in the days before and after the election. And in an industry that's already dealing with falling oil and gas prices, market access challenges and the nebulous concept of social license, adding a royalty review into the mix with all the uncertainty it portends probably wasn't

at the top of anybody's political wish list. But the University of Alberta's Andrew Leach thinks the fears surrounding the idea of a royalty review are overdone, noting that a private member's bill the NDP tabled in the last session suggests that they're not interested in simply trying to get more money out of the oil and gas sector. "I think the bill suggested a broader, 360-degree look," he says. "To my eye, it's not just a question of how much can we grab – it wasn't even framed in the same way as the PC review [in 2007]. It was a lot broader from the beginning: Are we getting what we want out of the resource?"

Mount Royal political science professor Keith Brownsey also thinks a repeat of the 2007 debacle is unlikely. "Notley will not appoint partisan people to this royalty review," he says. "And unlike the 2007 review, when CAPP was given 10 minutes to make its presentation, this review could go on for some time – and CAPP will have all the time it needs to make its points. She's not going to antagonize anybody with this." And when the royalty review does happen – Notley has promised that it will take place before her first term is up – it doesn't have to be universally negative for the oil and gas industry either. Leach points to the unintended consequences that unfolded in the oil sands under the existing royalty regime, where unimpeded access allowed the sector as a whole to rapidly increase its production but drove up everyone's costs – and chipped away at their profits – in the process. "You need some sort of oversight on the market that says this is the pace and scale that we want," Leach says. "It makes the pie bigger for the people who get to play."

It also might mean a bigger slice for those that are already there. "If you're a new entrant, having that open-access policy might be beneficial to you," Leach says. "If you're an existing player with a lot of existing assets, a policy that controls the rate of development might benefit you more than some others." The same is true, he thinks, of the party's pledge to encourage more refining in Alberta. "Read through Suncor's annual report and what they say about refining and the advantage it gives them,

and then read through the NDP platform on the benefits of refining. They're actually not that different. So again, there are going to be winners and losers, and it really does depend what they'd do in order to encourage refining."

It's unlikely, then, that Premier Notley will be a complete disaster when it comes to dealing with the energy sector. And while that's not to suggest that a Notley government will be more supportive of its interests than a Prentice government – or even a Brian Jean one – would have been, that doesn't necessarily mean it can't effectively advance them. Indeed, there's an argument to be made that Notley will be a better advocate for the stalled pipeline projects that her predecessor said time and again needed to get built than he ever was. Her contacts in British Columbia and understanding of the province's politics, Dosanjh says, could give her an edge on that front. "In terms of trying to get a sense of what would sell in British Columbia in terms of the approach to energy, I think she'll have a better handle on it."

The idea of a New Democrat selling the energy sector's benefits instead of highlighting its flaws might seem counterintuitive, but then so did an NDP premier until it actually happened. And anyone who thinks that New Democrats are incapable of selling the energy sector's benefits need only look at the work that Gary Doer, the former Manitoba premier and current Canadian ambassador to the United States, has done on its behalf in Washington lately. Yes, Notley's past includes some statements that would make anyone in the energy sector question whether she can do the same thing, but they're from a time when she was the leader of a third-place party in a PC-dominated legislature. Now, for better or worse, she's the premier of Alberta, and it stands to reason that she'll govern herself – and the province – accordingly. "You may not agree with everything she does," Dosanjh says, "but I think she will be very mindful of the fact that Alberta is an energy economy. You can't ignore that." That, at least, is what everyone who depends on that economy is hoping. (A0)

Born in Edmonton to Sandra Mary (Wilkinson) and Grant Notley, the future leader of the Alberta NDP.



Grant Notley and five other passengers who were on a Piper Navajo Chieftain twin-engine aircraft that was bound for Grande Prairie are killed when it crashes in the wilderness. Four men (the pilot, an RCMP constable, the prisoner he was guarding and Alberta minister for housing and utilities Larry Shaben) spend the night outdoors waiting to be rescued.

OCTOBER 19, 1984

Notley graduates from Osgoode Hall, and begins her career as a labor lawyer.



JUNE 15, 1990

Rachel Notley is elected as the NDP candidate in the riding of Edmonton-Strathcona, a seat held since 1997 by former NDP leader Raj Pannu.

OCTOBER 4, 2006

Notley is re-elected with an increased margin of victory, growing her share of the vote from 49.3 per cent to 62.8 per cent. It's the biggest margin of any sitting NDP MLA.

APRIL 23, 2012



Rachel Notley shocks the world – and, in all likelihood, herself – by leading the NDP to a 54-seat majority. The party grows its share of the popular vote versus the 2012 election by more than 30 per cent, while Notley is supported by a Loughheed-esque 82.4 per cent of the electors in her riding.

MAY 5, 2015

AUGUST 30, 1971

Grant Notley becomes the first Alberta NDP candidate to win in a general election, becoming the MLA for the riding of Spirit River-Fairview three years after taking over as the party's leader.

MAY 31, 1987

Rachel Notley graduates from the University of Alberta with a bachelor of arts. Her major? Political science, of course.

AUGUST 16, 1995

Ujjal Dosanjh is appointed as British Columbia's Attorney General. Notley would join his political staff and work there for a number of years before moving on to work as a union lawyer at B.C.'s health sciences association. While working in B.C. she meets her future husband, Lou Arab, who was also an NDP political staffer. They would move back to Edmonton in 2002.



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MARCH 3, 2008

Notley defeats Progressive Conservative candidate T.J. Keil to become the MLA for Edmonton-Strathcona.



OCTOBER 18, 2014

Notley succeeds Brian Mason as the ninth leader of the Alberta NDP, winning the support of 70 per cent of the delegates.

