

Environmental Defence Canada

Comments on proposed designation of the
West Coast Oil Pipeline
as a so-called 'Project of National Interest'
under the Building Canada Act

Submitted by email to:

The Government of Canada's Major Projects Office
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September 18, 2026

Environmental Defence Canada opposes the West Coast Oil Pipeline and its proposed designation as a so-called 'Project of National Interest' under the *Building Canada Act*

The West Coast Oil Pipeline (WCOP) is a proposal that will damage ecosystems and escalate the climate crisis. This project has failed to gain the consent of all impacted First Nations and the consultation processes currently underway are rushed and inadequate. Furthermore, the commercial and economic case for this pipeline is weak, as demonstrated by the paltry 10% ownership stake of Pembina Pipeline. The federal government repeatedly assured Canadians throughout its promotion of the Canada-Alberta MOU that this pipeline would only be owned and operated by a private company. The decision to move this project forward through public ownership is a broken promise to Canadians. Allocating public resources towards this pipeline is also deeply unpopular with Canadians. According to polling, a large majority of Canadians oppose subsidizing this project, with polls conducted in [Alberta](#), [Ontario](#), [Quebec](#) and [British Columbia](#) showing a range of 59-68 per cent opposed.

It should also be noted that this consultation process raises serious concerns and questions about regulatory integrity, transparency and democratic accountability.

It is clear that the WCOP does not live up to the standards for nation-building set out by this government. Under the [Building Canada Act](#), the Governor in Council considers the following criteria for projects proposed for designation. A "Project of National Interest" (PONI) can:

1. contribute to clean growth and to meeting Canada's objectives with respect to climate change
2. advance the interests of Indigenous peoples
3. have a high likelihood of successful execution
4. provide economic or other benefits to Canada
5. strengthen Canada's autonomy, resilience and security

Below, Environmental Defence Canada outlines why the WCOP does not meet the criteria proposed.

1. WCOP does not contribute to clean growth or to meeting Canada's objectives with respect to climate change.

The WCOP is new fossil fuel infrastructure that directly facilitates increased bitumen production, and locks-in Canada's incentive to prolong oil sands extraction. Bitumen from Canada's oil sands remains one of the most polluting oil types. The oil and gas industry is Canada's largest source of greenhouse gas emissions. A new pipeline, with the associated increase of production, will lead to an increase in emissions. Claims that the Pathways carbon capture and storage (CCS) project could offset emissions from a proposed new oil pipeline are [misleading and mathematically](#)

[impossible](#). Furthermore, this pipeline proposal has been facilitated by the Canada-Alberta MOU, which has weakened or removed major climate policies.

Canada is not on track to meet its emissions targets. [Recent analysis by the Canadian Climate Institute](#) determined that since the current federal government began rolling back the climate policy established by the previous government, Canada is now 20 years behind schedule on reaching its emissions targets. Reconciling a new one-million barrel a day bitumen pipeline with Canada's climate objectives is impossible.

In addition, the full lifecycle impacts of this pipeline will be much greater, when considering the pollution from the processing of bitumen, as well as when it is eventually used or burned. While Canada's national emissions inventory does not include this scope, Canada has a global responsibility to support ambitious climate action by supporting the transition away from fossil fuels.

For Canada's long-term economic growth, the costs of climate change are no less consequential than the risks of weak investment. As last week's latest state of the climate report made clear, the climate crisis is already causing increasingly severe wildfires, floods, extreme heat, drought and other climate-related events which are damaging Canadian communities and infrastructure. Last year, [climate change reduced Canada's GDP by approximately C\\$25 billion](#), comparable in scale to the impacts of the US trade war.

In terms of clean growth, what's clear is that the global energy transition is accelerating. For the last decade [investment in clean energy has increasingly outpaced investment in fossil fuels](#). The [International Energy Agency's World Energy Investment 2026 report](#) projects that global clean energy investment will be roughly double that of investment in fossil fuels for the second year in a row. The largest opportunity for clean growth and a resilient economy in Canada is to invest in the infrastructure, supply chains, and industries that will allow Canada to be a key player in the energy transition.

Continuing to subsidize and politically champion "conventional" fossil fuels undermines Canada's investment in renewable energy and the clean economy. Rather than making Canada an "energy superpower", the all-of-the-above approach to energy exacerbates the economic, political, and ecological instability produced by climate change. In doing so, the WCOP erodes the conditions on which Canada depends for its proposition to be a "[stable and trusted supplier of choice](#)" globally. It is [electrostates](#) that will define and lead the 21st century, economically and politically.

Projects of national interest must prioritize Canada's clean economy and reflect its climate commitments. The WCOP firmly and demonstrably fails on these accounts. Furthermore, failing to account for these climate impacts and clean growth considerations undermines any other perceived benefit attributed to the project.

2. Undermining the rights, not advancing the interests, of Indigenous peoples

The process through which the WCOP is being fast-tracked is undermining Indigenous human rights and the Crown's constitutional duty to uphold them. The governments of Alberta and Canada have given less than three months for its attempt to consult with more than 100 Nations. This extremely compressed timeline is fundamentally inconsistent with the Crown's constitutional and Indigenous human rights obligation to consult with impacted Nations.

The BCA designation process is essentially a pre-approval for all regulatory requirements, allowing for the project to be exempted from impact assessment and from key protections under the *Species at Risk Act* (SARA) and the *Fisheries Act*. The structure of this determination process is backwards. National interest project designation would mean that Nations are being asked to consent to a project before meaningful details are known and before substantive consultations can occur. Pre-determining that a project will proceed regardless of impacts on inherent title and rights, regardless of future consultations on the project, and regardless of whether a Nation decides to withhold consent for the project is not aligned with the United Nations Declaration on the Rights of Indigenous Peoples. The pipeline's designation may be open to legal challenge on this basis.

The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) Act requires the federal government to ensure its laws are consistent with UNDRIP. British Columbia also has the Declaration on the Rights of Indigenous Peoples Act (DRIPA). These legal recognitions of Indigenous self-determination and participation include the right to free, prior and informed consent (FPIC) *before* approving projects that impact Indigenous Nations' lands and territories. [This has been confirmed as recently as the court decisions *Gitxaala v. British Columbia* \(2025\).](#)

The [BC Assembly of First Nations raised their opposition to the *Building Canada Act*](#) following the initial announcement of the Canada-Alberta MOU and its intention to develop a new pipeline through BC.

The [Union of BC Indian Chiefs sent a letter in September 2026](#) urging the Canada and Alberta governments to halt the development of the WCOP, and also raised their concerns with the Premier of BC. They have identified that consultation cannot be meaningful if a project has been granted pre-approval through designation under the *Building Canada Act*.

The [Assembly of First Nations has also raised concerns](#) about Prime Minister Carney's efforts to fast-track major infrastructure projects and the risk it poses to First Nations rights. A resolution was passed in July to oppose the federal government's proposal to make sweeping legislative changes that would weaken environmental protections or skirt Indigenous rights obligations.

3. Low likelihood of successful execution

The opposition to the BCA designation process from First Nations is an important factor in this project's likelihood of successful execution. If the WCOP is designated, it will face legal risk.

Furthermore, potential opposition to the pipeline by impacted Nations along the pipeline route, Nations opposed to increased extraction in their territories, and Nations opposed to the increase in megatankers creates further uncertainty and risk for this project. For example, in solidarity with UBCIC, the chief of Athabasca Chipewyan First Nation, which is impacted by bitumen extraction and tar sands tailing ponds, stated "[We will start launching court cases, and we will tie them all up in court for the next 20 years](#)" if further expansions of the oil sands is pursued on ACFN territory.

Beyond the legal risk, this project also faces the usual uncertainties seen by other major fossil fuel infrastructure projects: cost escalation, construction delays, public opposition, and changing market conditions. The TMX pipeline, a project of similar scale, was [delayed by five years and costs quintupled during construction](#). Coastal Gaslink, a gas pipeline through BC, was [delayed for six years](#). The Energy East Pipeline was [cancelled after being mired by controversy and public backlash](#). All major pipeline projects in the last decade have faced significant opposition and delays. Given that opposition from concerned Canadians is growing, and the concerns raised by First Nations and Indigenous organizations, we anticipate that these trends will continue. The reasonable expectation of delays to the initial timeline proposed, combined with the context of the [global oil market peaking by 2030](#) (before this pipeline has any reasonable likelihood of coming online) affirms this project is likely to be delayed and underperform, or fail all together.

The successful execution is made more uncertain for this project because the oil industry has not committed to increase production at the scale required to fill the pipeline. Recently, [Enbridge chose to delay the second phase of their Mainline system expansion](#), which would add 250,000-barrel-per-day, because Canadian oil producers have not committed to significant output increases.

Even in the [Canada Energy Regulator's scenario](#) with the highest volume of oil exports from Alberta, the transportation capacity across existing and brownfield expansion projects is sufficient. The Institute for Energy Economics and Financial Analysis similarly found that "[no capacity-driven need exists for construction of a new large-scale export corridor](#)."

4. Failure to deliver economic benefits to Canada

First it should be noted that major [bitumen producers in Canada are 70 percent owned by foreign shareholders, mostly from the United States](#). As such, most of the financial benefits from this pipeline would be channeled out of Canada. Furthermore, as [ownership has also concentrated over the last decade](#), short term economic benefits continue to be delivered to fewer owners, largely those who are already receiving record-breaking profits from the war-induced global oil price spike. Meanwhile, Canadians are being set up to pay the cost and take on the risk.

For a pipeline to be profitable, it requires decades of use and revenues from tolls. The WCOP proposal assumes at least 35 years. The Trans Mountain Expansion (TMX) pipeline is a clear case study in how the economic benefits of pipelines promised to Canadians are failing to materialize.

[Analysis of TMX financial structure](#) has revealed how moving the debt into a separate entity from the Trans Mountain Corp., a shell company called TMP Finance, has allowed the project's revenues to look misleadingly profitable.

Trans Mountain is currently seeking Canada Energy Regulator approval to reduce its tolls. If approved, the reduced tolls would recover less than half of the project's total cost. Even under [Trans Mountain's own best-case scenario, the internal rate of return is just 8%](#), significantly less than the 12–15% typically required for commercial pipeline investments.

The tolls required for the WCOP would likely be substantially higher than those on existing infrastructure, making it [riskier relative to alternatives already in service](#). According to [analysis by the Pembina Institute](#), to recover the value of the current cost estimate for construction, the WCOP would have to charge tolls 70 to 170 per cent higher than the Trans Mountain pipeline. This would increase the cost for oil sands producers, making it less cost competitive in a global market that will peak by 2030.

There has yet to be indication from fossil fuel production companies that they would be willing to invest the tens of billions of dollars required for the new greenfield development likely required to fill the WCOP (in tandem with other planned pipeline expansions). The [industry has not considered that scale of investment since the 2014 oil price crash](#). Therefore, there is also a risk that the [WCOP could contribute to overbuilt pipeline capacity, which would worsen conditions for the sector and create the risk of stranded assets](#).

The WCOP has an independently weak economic case. As joint owners of the pipeline, Canada and Alberta will draw at least \$35 billion from Canadians' public purse, which may never be recouped.

5. WCOP will not strengthen Canada's autonomy, resilience and security

The rationale for the WCOP seeks to entrench Canada as a trusted seller of choice for Canadian oil, particularly by shipping Canadian oil to "Asian markets".

Other than the United States, China is the only alternative country with capacity to receive the megatankers and refine the bitumen they carry. While China may be a short-term willing buyer, China is emerging as the first 'electrostate' global power. China's state-owned oil company Sinopec said the country's oil demand "[very likely](#)" peaked in 2025. China has rapidly electrified road transportation vehicles, and other Asian countries are following suit. The [Pembina Institute notes that this will create structural downward pressure on price](#), making Canada's high production cost oil even less attractive in a low price of oil market.

Global markets are also continuing to transition away from fossil fuels. [The International Energy Agency predicted that global oil demand will peak in 2030](#). In August, following the U.S.-Iran war and associated oil supply disruptions, the [International Energy Agency revised down its 2026 oil demand forecast](#). [Analysts speculate](#) that prolonged high prices likely will accelerate demand destruction and substitution.

Even if the WCOP were to be built and deliver solely to Asian markets, which is highly uncertain, the United States would remain the primary buyer of Canadian oil, leaving Canada's exposure to the U.S. effectively unchanged. Economic diversification away from the United States is an unobjectionable goal, but that further strengthens the argument for diversifying our economy away from the oil and gas sector. Energy security for Canada is best assured by strengthening the Canadian grid and expanding domestic renewable energy generation and storage to meet the needs of Canadian consumers and grow our clean economy.

Taken together, these points show that the WCOP fails to deliver the security and autonomy it promises. Set against a global demand peak projected for 2030, the WCOP would be betting decades of taxpayer dollars on a market in structural decline. Genuine diversification and resilience lie not in a new pipeline chasing a shrinking market, but in strengthening Canada's clean economy, capitalizing on emerging market opportunities from the energy transition, and building affordable, reliable, renewable domestic energy infrastructure for Canadians and their businesses.

Additional Consideration

In addition to the concerns outlined above, the WCOP poses unacceptable risks to communities, waterways and endangered wildlife.

Pipeline construction damages sensitive ecosystems and increases spill risk. The WCOP would cross some of the most challenging terrain for building in Canada. The pipeline would need to cross approximately 1,900 km of mountains, valleys, and forests to connect production sites to the coast. The Fraser River Basin and Delta, where terminus and shipping infrastructure is required, has an extremely high risk of liquefaction in the event of an earthquake. The impacts of construction would be severe, and the impacts of a spill, devastating. This means countless rivers, wetlands, and streams that would be disturbed and put at permanent risk of a pipeline leak or spill. Fish, bears, elk, wolves, herds of endangered caribou, birds, insects and entire ecosystems would be at risk.

The WCOP cannot be separated from its upstream and downstream impacts.

Increasing oil production to fill this pipeline means creating more toxic tailings ponds, which have been [growing for more than 50 years without a solution](#). Already, the trillions of litres of toxic wastewater and mud that lie unprocessed and leaking into the Athabasca River and downstream into the water supply of the Fort Chipewyan and Mikisew Cree First Nations have negatively impacted these communities' health. Leaks have already occurred, such as the [5.3 million litres of toxic wastewater that Imperial Oil spilled in 2023](#), and disproportionately harm nearby Indigenous communities. More tailings also adds to the more than \$200-billion unfunded liability for a future cleanup bill that Canadians are being left to pay for.

The pipeline would terminate in the Fraser River Estuary bringing very large crude carrier tanker traffic through the Salish Sea. The Fraser River Estuary is one of Canada's great natural assets. It serves a nursery for everything from migratory birds to one of the largest runs of Pacific salmon. A [2017 Report](#) identified that ecosystems in this region generate billions of dollars in benefits every year while supporting fisheries, tourism, recreation and thousands of livelihoods. Industrial development that degrades and threatens the Fraser River Estuary and the Salish Sea puts this existing economy at risk. The tanker route is vital habitat for the beloved Southern Resident killer whales, a population that is facing extinction unless their habitat and conditions improve. Adding the WCOP tanker traffic to that of the TMX pipeline and the Roberts Bank Terminals would be to do the opposite.

Conclusion

Environmental Defence Canada asks that the Major Projects Office does not recommend, and that Cabinet refuses to list, the West Coast Oil Pipeline as a project of national interest. The available evidence does not support a determination that the project aligns with nation-building criteria outlined, and there are additional concerns with the project that are not being adequately reflected in the criteria. The project has not been shown to strengthen Canada's long-term resilience, deliver clear and durable net economic benefits, have a high likelihood of successful execution, advance Indigenous interests, or support Canada's climate objectives.

Canada has an opportunity to play an important role in global leadership for decades to come, but that will only be fully realized if Canada focuses on building the twenty-first century clean economy – not if Canada abdicates its responsibility to nations around the world to take ambitious climate action. Not if Canada follows the path directed by U.S. President Trump to double down on polluting fossil fuels. Investing in clean energy, a modern grid, and infrastructure for resilient and affordable communities are in Canada’s national interest, not another bitumen pipeline.

About Environmental Defence Canada

Environmental Defence Canada is a leading Canadian environmental advocacy organization that works with government, industry and individuals to defend clean water, a safe climate and healthy communities.