

**From:** [Subramani, Radha](#)  
**Sent:** Thursday, May 25, 2023 9:59 AM  
**To:** [Greenland, Jason](#)  
**Cc:** [Potvin, Anne-Marie](#); [Johnston, Shannon](#)  
**Subject:** FOR APPROVAL: Request for Note: Rhona DelFrari from Cenovus - meeting request for May 30th  
**Attachments:** DSec Memo - Cenovus - May 2023.docx

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Approved, thanks Jason!

**Radha Subramani** (She/her/elle)  
Director of Operations | Directrice des opérations  
Economic and Regional Development Policy | [Politique du développement économique et régional](#)  
Privy Council Office | Bureau du Conseil privé  
[Radha.Subramani@pco-bcp.gc.ca](mailto:Radha.Subramani@pco-bcp.gc.ca) | +1-613-292-9051

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**From:** Potvin, Anne-Marie <[Anne-Marie.Potvin@pco-bcp.gc.ca](mailto:Anne-Marie.Potvin@pco-bcp.gc.ca)>  
**Sent:** Wednesday, May 24, 2023 2:56 PM  
**To:** Greenland, Jason <[Jason.Greenland@pco-bcp.gc.ca](mailto:Jason.Greenland@pco-bcp.gc.ca)>  
**Cc:** Johnston, Shannon <[Shannon.Johnston@pco-bcp.gc.ca](mailto:Shannon.Johnston@pco-bcp.gc.ca)>; Pettit, Jayme <[Jayme.Pettit@pco-bcp.gc.ca](mailto:Jayme.Pettit@pco-bcp.gc.ca)>  
**Subject:** FWRequest for Note: Rhona DelFrari from Cenovus - meeting request for May 30th

Hi Jason – Could I please have an ETA on this one.  
Merci  
AMP

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**From:** Potvin, Anne-Marie  
**Sent:** Tuesday, April 18, 2023 10:43 AM  
**To:** Greenland, Jason ([Jason.Greenland@pco-bcp.gc.ca](mailto:Jason.Greenland@pco-bcp.gc.ca)) <[Jason.Greenland@pco-bcp.gc.ca](mailto:Jason.Greenland@pco-bcp.gc.ca)>  
**Cc:** Pettit, Jayme <[Jayme.Pettit@pco-bcp.gc.ca](mailto:Jayme.Pettit@pco-bcp.gc.ca)>; Johnston, Shannon <[Shannon.Johnston@pco-bcp.gc.ca](mailto:Shannon.Johnston@pco-bcp.gc.ca)>; Subramani, Radha <[Radha.Subramani@pco-bcp.gc.ca](mailto:Radha.Subramani@pco-bcp.gc.ca)>  
**Subject:** NEW DEADLINE: Request for Note: Rhona DelFrari from Cenovus - meeting request for May 30th

Hi Jason – I see one is circling up again. It seems that the meeting has been rescheduled for May 30. It will be an "in-person" meeting. Ms. DelFrari will be in Ottawa at that time.

I have attached what was previously sent to DSO in March.  
Please let me know if the documents will stay the same, I will go ahead and save in our GCDOcs folder.  
Merci Jason.  
Due to ASO May 23 or earlier  
Due to DSO May 25th at 10:00am.

s.16(2)

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**From:** Pettit, Jayme <[Jayme.Pettit@pco-bcp.gc.ca](mailto:Jayme.Pettit@pco-bcp.gc.ca)>  
**Sent:** Tuesday, April 18, 2023 10:10 AM  
**To:** Johnston, Shannon <[Shannon.Johnston@pco-bcp.gc.ca](mailto:Shannon.Johnston@pco-bcp.gc.ca)>  
**Cc:** Potvin, Anne-Marie <[Anne-Marie.Potvin@pco-bcp.gc.ca](mailto:Anne-Marie.Potvin@pco-bcp.gc.ca)>  
**Subject:** FW: NEW DEADLINE: Request for Note: Rhona DelFrari from Cenovus - meeting request for May 30th

Hi Shannon, this one is for you team.

AMP will send out an official tasking, but sharing as a heads up. The meeting is next month, so we have some time!

Jayme

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**From:** Tomas, Teresa <[Teresa.Tomas@pco-bcp.gc.ca](mailto:Teresa.Tomas@pco-bcp.gc.ca)>  
**Sent:** Monday, April 17, 2023 5:13 PM  
**To:** PCO.F ERDP Admins / Admins PDER F.BCP <[PCO.ERDPAdmins-AdminsPDER.BCP@pco-bcp.gc.ca](mailto:PCO.ERDPAdmins-AdminsPDER.BCP@pco-bcp.gc.ca)>  
**Cc:** Pettit, Jayme <[Jayme.Pettit@pco-bcp.gc.ca](mailto:Jayme.Pettit@pco-bcp.gc.ca)>; Villeneuve, Sophie <[Sophie.Villeneuve@pco-bcp.gc.ca](mailto:Sophie.Villeneuve@pco-bcp.gc.ca)>; Rosenhek, Kaila <[Kaila.Rosenhek@pco-bcp.gc.ca](mailto:Kaila.Rosenhek@pco-bcp.gc.ca)>; Foster, Gabriela <[Gabriela.Foster@pco-bcp.gc.ca](mailto:Gabriela.Foster@pco-bcp.gc.ca)>; Wilson, Erin <[Erin.Wilson@pco-bcp.gc.ca](mailto:Erin.Wilson@pco-bcp.gc.ca)>  
**Subject:** NEW DEADLINE: Request for Note: Rhona DelFrari from Cenovus - meeting request for May 30th

Good afternoon,


Please note this meeting is now taking place on May 30<sup>th</sup> at 11:00am.

It will be an "in-person" meeting. Ms. DelFrari will be in Ottawa at that time.

Please provide a revised note in support of this meeting by Thursday, May 25<sup>th</sup> at 10:00am.

-  
Thank you,  
Teresa

*Teresa Tomas*

Executive Assistant to Kaili Levesque, Deputy Secretary to the Cabinet (Operations)  
Adjointe exécutive à Kaili Levesque, Sous-secrétaire du Cabinet (Opérations)  
Privy Council Office | Bureau du Conseil Privé  
[teresa.tomas@pco-bcp.gc.ca](mailto:teresa.tomas@pco-bcp.gc.ca) | 

---

**From:** Tomas, Teresa  
**Sent:** Friday, March 10, 2023 11:54 AM  
**To:** PCO.F ERDP Admins / Admins PDER F.BCP <[PCO.ERDPAdmins-AdminsPDER.BCP@pco-bcp.gc.ca](mailto:PCO.ERDPAdmins-AdminsPDER.BCP@pco-bcp.gc.ca)>  
**Cc: Subject:** Request for Note: Rhona DelFrari from Cenovus - meeting request for March 21

Good morning,

s.16(2)

s.19(1)

Please prepare a note in support of this meeting which is now scheduled for March 21<sup>st</sup> at 1:00pm.

I have attached the email from the last time they were supposed to meet for your convenience.

Please provide to DSO by 3:00pm, Monday, March 21<sup>st</sup>.

Thank you,  
Teresa

***Teresa Tomas***

Executive Assistant to Kaili Levesque, Deputy Secretary to the Cabinet (Operations)  
Adjointe exécutive à Kaili Levesque, Sous-secrétaire du Cabinet (Opérations)  
Privy Council Office | Bureau du Conseil Privé  
[teresa.tomas@pco-bcp.gc.ca](mailto:teresa.tomas@pco-bcp.gc.ca) | [REDACTED]

---

**From:** Sheamus Murphy <[SMurphy@counselpa.com](mailto:SMurphy@counselpa.com)>  
**Sent:** Thursday, March 9, 2023 7:19 PM  
**To:** Tomas, Teresa <[Teresa.Tomas@pco-bcp.gc.ca](mailto:Teresa.Tomas@pco-bcp.gc.ca)>  
**Cc:** [REDACTED]  
**Subject:** Re: Rhona DelFrari from Cenovus - meeting request for March 21

Hi Teresa, this time will work. Can you send the invite to myself and [REDACTED] will get it into Rhona's calendar?

[REDACTED] is copied here.

Thanks!



Sheamus Murphy (he/him)  
**Partner & Federal Practice Lead, Counsel Public Affairs Inc.**

**P:** 613.323.7607 | [counselpa.com](http://counselpa.com) | [@CounselPA](https://twitter.com/CounselPA)

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s.16(2)

**From:** Tomas, Teresa <[Teresa.Tomas@pco-bcp.gc.ca](mailto:Teresa.Tomas@pco-bcp.gc.ca)>  
**Sent:** Thursday, March 9, 2023 4:04 PM  
**To:** Sheamus Murphy <[SMurphy@counselpa.com](mailto:SMurphy@counselpa.com)>  
**Subject:** FW: Rhona DelFrari from Cenovus - meeting request for March 21

Good afternoon Mr. Murphy,

Hope this finds you well.

Just confirming that Kaili is available on March 21 at 1:00pm.

Please let me know if this works and I will send the invite.

Appreciate if you could also share Ms. DelFrari's email.

Thank you,  
Teresa

*Teresa Tomas*

Executive Assistant to Kaili Levesque, Deputy Secretary to the Cabinet (Operations)  
Adjointe exécutive à Kaili Levesque, Sous-secrétaire du Cabinet (Opérations)  
Privy Council Office | Bureau du Conseil Privé  
[teresa.tomas@pco-bcp.gc.ca](mailto:teresa.tomas@pco-bcp.gc.ca) | 

---

**From:** Levesque, Kaili <[Kaili.Levesque@pco-bcp.gc.ca](mailto:Kaili.Levesque@pco-bcp.gc.ca)>  
**Sent:** Tuesday, March 7, 2023 5:53 PM  
**To:** Sheamus Murphy <[SMurphy@counselpa.com](mailto:SMurphy@counselpa.com)>  
**Cc:** Tomas, Teresa <[Teresa.Tomas@pco-bcp.gc.ca](mailto:Teresa.Tomas@pco-bcp.gc.ca)>  
**Subject:** Re: Rhona DelFrari from Cenovus - meeting request for March 21

Seamus- absolutely. I will let my office work with you to set it up, but 1pm would be ideal.

Sent from my iPhone

On Mar 7, 2023, at 5:13 PM, Sheamus Murphy <[SMurphy@counselpa.com](mailto:SMurphy@counselpa.com)> wrote:

Hello Kaili,

I am picking up on our exchange from last month to see if you or Alexis Conrad would be available to meet Rhona DelFrari from Cenovus on Tuesday, March 21 in Ottawa. We weren't able to make it work last time.

As of now I believe her day is open. Thanks so much!



Sheamus Murphy (he/him)  
**Partner & Federal Practice Lead, Counsel Public Affairs Inc.**

**P:** 613.323.7607 | [counselpa.com](http://counselpa.com) | [@CounselPA](https://twitter.com/CounselPA)

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---

**From:** Levesque, Kaili <[Kaili.Levesque@pco-bcp.gc.ca](mailto:Kaili.Levesque@pco-bcp.gc.ca)>  
**Sent:** Tuesday, January 24, 2023 5:10 PM  
**To:** Sheamus Murphy <[SMurphy@counselpa.com](mailto:SMurphy@counselpa.com)>  
**Cc:** Tomas, Teresa <[Teresa.Tomas@pco-bcp.gc.ca](mailto:Teresa.Tomas@pco-bcp.gc.ca)>  
**Subject:** RE: Cenovus in Ottawa, Feb 7 & 8

Hi Sheamus! Happy to meet, either myself or the ADM will meet with them, depending on the timing.  
Copying my EA who will assist with this.

Have a wonderful evening,  
Kaili

**Kaili Levesque** (She/her/elle)  
[Kaili.Levesque@pco-bcp.gc.ca](mailto:Kaili.Levesque@pco-bcp.gc.ca) | +1-613-818-0492

---

**From:** Sheamus Murphy <[SMurphy@counselpa.com](mailto:SMurphy@counselpa.com)>  
**Sent:** Tuesday, January 24, 2023 1:12 PM  
**To:** Levesque, Kaili <[Kaili.Levesque@pco-bcp.gc.ca](mailto:Kaili.Levesque@pco-bcp.gc.ca)>  
**Subject:** Cenovus in Ottawa, Feb 7 & 8

Hi Kaili,

Rhona DelFrari and Devin Iversen from Cenovus would like to know if you are available to meet with them when they are in Ottawa on Tuesday February 7 or the morning of Wednesday February 8.

Rhona is Cenovus' Chief Sustainability Officer & Senior Vice-President, Stakeholder Engagement.

Devin is Cenovus' VP of Government Affairs.

Rhona and Devin have been a driving force behind the Pathways Alliance and are also responsible for setting the company's ESG targets including their plans to reduce GHG emissions by 35% by 2035: <https://www.cenovus.com/Sustainability/Environment/Climate-and-GHG-emissions>

They will be interested in discussing the work underway to address funding gaps and regulatory hurdles to build CCUS.

Please let me know if you would be available to meet them in Ottawa.

Thanks so much!



Sheamus Murphy (he/him)  
**Partner & Federal Practice Lead, Counsel Public Affairs Inc.**

**P:** 613.323.7607 | [counselpa.com](http://counselpa.com) | [@CounselPA](https://twitter.com/CounselPA)

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**-Meeting Note (In-Person)-**

**Meeting with Cenovus**

**May 30, 2023 – 80, Wellington Street, Room 411**

You and Alexis Conrad will be meeting with Rhona DelFrari (Chief Sustainability Officer & Senior Vice President, Stakeholder Engagement) and Devin Iversen (Vice President of Government Affairs) from Cenovus to discuss the work underway to address funding gaps and regulatory hurdles to build Carbon Capture Utilization and Storage (CCUS).

While a specific agenda has not been established, we expect that they will re-iterate the points made in a letter sent by the Pathways Alliance to Ministers Champagne, Freeland, Guilbeault and Wilkinson, which included the following requests: support for operating costs; assurances the Pathways project will not be Designated for federal review; restoration of credits under the Clean Fuels Regulations; and, increased rates and expanded cost eligibility under the federal investment tax credits (ITC). The letter also states that oil sands emission requirement under the oil and gas cap for 2030 should not exceed 22 megatonnes (Mt), to align with Pathways' Phase 1 plan.

The meeting request also noted that Rhona DelFrari and Devin Iversen have been "a driving force behind the Pathways Alliance and are also responsible for setting the company's economic, social and governance targets including their plans to reduce GHG emissions by 35% by 2035." Accordingly, they will likely link the success of Cenovus' plan to the outcomes achieved by Pathways Alliance project (and government support).

***Meeting Management & Suggested Speaking Points:***

Overall, we suggest that you remain primarily in listening mode, though you may wish to push them to share their analysis on trajectories and timelines, as well as to provide context/substantiation behind other views that they may put forward (e.g., changes to the ITCs).

- You could thank them for reaching out and requesting a meeting with you and express an understanding for the oil sector's concerns about receiving certainty on key policy questions in a timely fashion.
- Looking beyond the 2035 target, you could encourage them to discuss their longer-term plans to achieve net zero by 2050.
- On the question of project designation under the federal *Impact Assessment Act*, you could ask for a debrief of their discussions with the Impact Assessment Agency of Canada and encourage further engagement with IAAC and ECCC officials.
- You may choose refer to the Pathways letter and request further details on the timing and eligibility points made in the letter regarding the Investment Tax Credits, and encourage them to engage with the Department of Finance.
- Noting the January letter requested more generous tax credits, you may wish to ask Cenovus about their views on the Carbon Capture, Utilization & Storage (CCUS) tax credit introduced credits in B22 (and expanded via B23 "*to include dual use heat and/or power equipment and water use equipment, with tax support prorated in proportion to the use of energy or material in the carbon capture, utilization, and storage process, subject to certain conditions*").

- You could follow up with questions seeking elaboration on their request for broader access to Clean Fuel Regulation (CFR) credits and their views on carbon contracts for differences.
  - In closing, you could thank them for a productive discussion and note PCO's role in whole-of-government climate and energy coordination and encourage them to engage with Ms. Johnson and ERDP.
    - If not already discussed, you could also inquire about their other engagements with government officials and ministers' offices.
- 

## CONTEXT

- Based in Calgary, Alberta, Cenovus is an integrated oil and natural gas company with operations that span across the full oil and natural gas value chain (e.g., exploration, production, refining, transportation and retail).
- Following the acquisition of Husky Energy in January 2021, Cenovus is the second largest Canadian oil and natural gas producer and the second largest Canadian-based refiner and upgrader.
- Cenovus is also a member of the Pathways Alliance (along with CNRL, ConocoPhillips, Imperial, MEG Energy, and Suncor), that collectively represent 95% of Canada's oil sands production and accounting for 11% of Canada's total GHG emissions (roughly 84Mt per year (2019)).

### ***Pathways Alliance - Letter to Ministers***

- On January 24, 2023, the Pathways Alliance sent a letter to Ministers Champagne, Freeland, Guilbeault and Wilkinson which outlined five key issues that they are seeking 'policy certainty' from the federal government on by mid-2023:
  - Support for 50% of operating costs for CCUS projects (capture facilities, pipelines and hubs), which would align more closely with the support being provided to CCUS projects in the United States under the Inflation Reduction Act.
  - Timely decisions regarding regulatory jurisdiction for CCUS projects in Alberta, specifically assurance that the Pathways pipeline, hub and capture projects would not require a federal review under the Impact Assessment Act.
  - Restore eligibility to generate Clean Fuel Regulations (CFR) credits for exported volumes of crude oil and bitumen using CCS technology, which would be stackable with other credits or fiscal measures.
  - Extending the higher investment tax credits (ITC) capex rates for CCUS projects that have started construction before 2035.
  - Ensuring that the Clean Tech ITC includes eligibility for decarbonization projects for the oil sands sector including solvent-based production and other non-CCUS emissions reduction projects, including support for both capital and operating costs.
- The letter noted that the proponents are seeking clarity on these issues in order to move forward with investment decision and initiating regulatory applications. There is urgency in moving forward quickly in order to bring decarbonization projects online by 2030.
- The Letter suggested that *"if a 2030 sector specific emission target is set for oil sands, that emission target should not exceed 22 million tonnes (MT), recognizing that Pathways' Phase 1 plan to reduce*

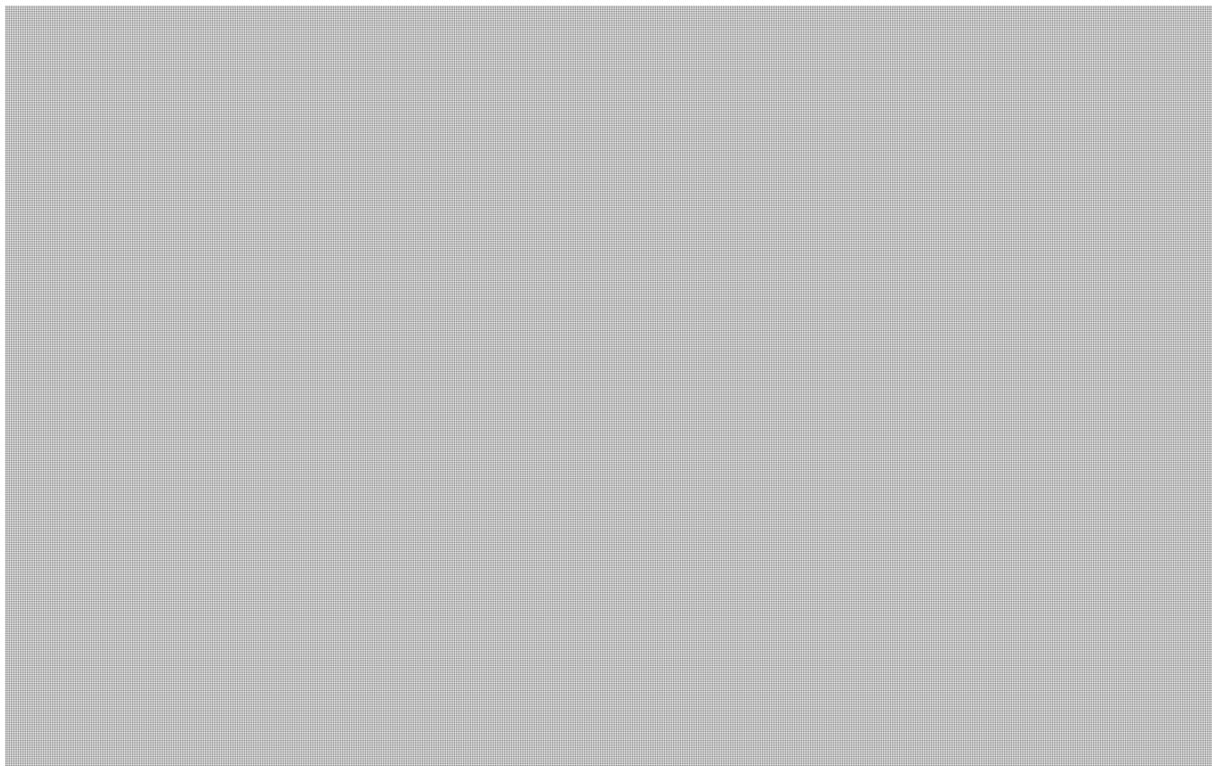
s.21(1)(a)

s.21(1)(b)

s.21(1)(c)

*GHG emissions by 22 MT by 2030 is ambitious and is predicated on the appropriate policy, and regulatory and economic certainty being in place.”*

- The issues identified are broadly consistent with previous conversations and written communication with the Pathways Alliance and its contemporaries. For instance, in a letter (dated September 8, 2022) from the Canadian Association of Petroleum Producers to Ministers Guilbeault and Wilkinson, the oil industry expressed its position in support of accountability for emissions and ambitious targets but flagged the need to consider the impacts on energy supply (i.e., energy security) and regional prosperity. CCUS was repeatedly noted as a key lever for industry, with emphasis on tax credits and other supports for CCUS projects.
- Ministers were also asked to reconsider adding new regulations, on the grounds that it would discourage investment, as well as to develop emissions trajectories with industry that balance emissions targets with decarbonization investments.



s.16(2)

**From:** [Pettit, Jayme](#)  
**Sent:** Thursday, May 25, 2023 10:16 AM  
**To:** [Conrad, Alexis](#)  
**Cc:** [Johnston, Shannon](#); [Potvin, Anne-Marie](#); [Villeneuve, Sophie](#); [Greenland, Jason](#)  
**Subject:** For approval: Request for Note: Rhona DelFrari from Cenovus - meeting request for May 30th  
**Attachments:** DSec Memo - Cenovus - May 2023.docx

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Alexis,

For your approval, attached is the note to support Kaili in the meeting with Cenovus to discuss the work underway to address funding gaps and regulatory hurdles to build Carbon Capture Utilization and Storage.

You and Radha are invited. However, we are planning for you to be attending DMOC HFR at that time, so Radha will take this. I will let DSO know that when I send the note up.

Jayme

**Jayme Pettit**

Economic and Regional Development Policy | Politique du développement économique et régional  
Privy Council Office | Bureau du Conseil privé

 | [jayme.pettit@pco-bcp.gc.ca](mailto:jayme.pettit@pco-bcp.gc.ca)

---

**From:** Potvin, Anne-Marie  
**Sent:** Tuesday, April 18, 2023 10:43 AM  
**To:** Greenland, Jason ([Jason.Greenland@pco-bcp.gc.ca](mailto:Jason.Greenland@pco-bcp.gc.ca)) <[Jason.Greenland@pco-bcp.gc.ca](mailto:Jason.Greenland@pco-bcp.gc.ca)>  
**Cc:** Pettit, Jayme <[Jayme.Pettit@pco-bcp.gc.ca](mailto:Jayme.Pettit@pco-bcp.gc.ca)>; Johnston, Shannon <[Shannon.Johnston@pco-bcp.gc.ca](mailto:Shannon.Johnston@pco-bcp.gc.ca)>; Subramani, Radha <[Radha.Subramani@pco-bcp.gc.ca](mailto:Radha.Subramani@pco-bcp.gc.ca)>  
**Subject:** NEW DEADLINE: Request for Note: Rhona DelFrari from Cenovus - meeting request for May 30th

Duplicate / Duplicata

Hi Jason – I see one is circling up again. It seems that the meeting has been rescheduled for May 30.

**Pages 11 to / à 15  
are duplicates  
sont des duplicatas**

**-Meeting Note (In-Person)-**

**Meeting with Cenovus**

**May 30, 2023 – 80, Wellington Street, Room 411**

You and Radha Subramani will be meeting with Rhona DelFrari (Chief Sustainability Officer & Senior Vice President, Stakeholder Engagement) and Devin Iversen (Vice President of Government Affairs) from Cenovus to discuss the work underway to address funding gaps and regulatory hurdles to build Carbon Capture Utilization and Storage (CCUS).

While a specific agenda has not been established, we expect that they will re-iterate the points made in a letter sent by the Pathways Alliance to Ministers Champagne, Freeland, Guilbeault and Wilkinson, which included the following requests: support for operating costs; assurances the Pathways project will not be Designated for federal review; restoration of credits under the Clean Fuels Regulations; and, increased rates and expanded cost eligibility under the federal investment tax credits (ITC). The letter also states that oil sands emission requirement under the oil and gas cap for 2030 should not exceed 22 megatonnes (Mt), to align with Pathways' Phase 1 plan.

The meeting request also noted that Rhona DelFrari and Devin Iversen have been "a driving force behind the Pathways Alliance and are also responsible for setting the company's economic, social and governance targets including their plans to reduce GHG emissions by 35% by 2035." Accordingly, they will likely link the success of Cenovus' plan to the outcomes achieved by Pathways Alliance project (and government support).

***Meeting Management & Suggested Speaking Points:***

Overall, we suggest that you remain primarily in listening mode, though you may wish to push them to share their analysis on trajectories and timelines, as well as to provide context/substantiation behind other views that they may put forward (e.g., changes to the ITCs).

- You could thank them for reaching out and requesting a meeting with you and express an understanding for the oil sector's concerns about receiving certainty on key policy questions in a timely fashion.
- Looking beyond the 2035 target, you could encourage them to discuss their longer-term plans to achieve net zero by 2050.
- On the question of project designation under the federal *Impact Assessment Act*, you could ask for a debrief of their discussions with the Impact Assessment Agency of Canada and encourage further engagement with IAAC and ECCC officials.
- You may choose refer to the Pathways letter and request further details on the timing and eligibility points made in the letter regarding the Investment Tax Credits, and encourage them to engage with the Department of Finance.
- Noting the January letter requested more generous tax credits, you may wish to ask Cenovus about their views on the Carbon Capture, Utilization & Storage (CCUS) tax credit introduced credits in B22 (and expanded via B23 "*to include dual use heat and/or power equipment and water use equipment, with tax support prorated in proportion to the use of energy or material in the carbon capture, utilization, and storage process, subject to certain conditions*").

- You could follow up with questions seeking elaboration on their request for broader access to Clean Fuel Regulation (CFR) credits and their views on carbon contracts for differences.
  - In closing, you could thank them for a productive discussion and note PCO's role in whole-of-government climate and energy coordination and encourage them to engage with Ms. Johnson and ERDP.
    - If not already discussed, you could also inquire about their other engagements with government officials and ministers' offices.
- 

## CONTEXT

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- Following the acquisition of Husky Energy in January 2021, Cenovus is the second largest Canadian oil and natural gas producer and the second largest Canadian-based refiner and upgrader.
- Cenovus is also a member of the Pathways Alliance (along with CNRL, ConocoPhillips, Imperial, MEG Energy, and Suncor), that collectively represent 95% of Canada's oil sands production and accounting for 11% of Canada's total GHG emissions (roughly 84Mt per year (2019)).

### ***Pathways Alliance - Letter to Ministers***

- On January 24, 2023, the Pathways Alliance sent a letter to Ministers Champagne, Freeland, Guilbeault and Wilkinson which outlined five key issues that they are seeking 'policy certainty' from the federal government on by mid-2023:
  - Support for 50% of operating costs for CCUS projects (capture facilities, pipelines and hubs), which would align more closely with the support being provided to CCUS projects in the United States under the Inflation Reduction Act.
  - Timely decisions regarding regulatory jurisdiction for CCUS projects in Alberta, specifically assurance that the Pathways pipeline, hub and capture projects would not require a federal review under the Impact Assessment Act.
  - Restore eligibility to generate Clean Fuel Regulations (CFR) credits for exported volumes of crude oil and bitumen using CCS technology, which would be stackable with other credits or fiscal measures.
  - Extending the higher investment tax credits (ITC) capex rates for CCUS projects that have started construction before 2035.
  - Ensuring that the Clean Tech ITC includes eligibility for decarbonization projects for the oil sands sector including solvent-based production and other non-CCUS emissions reduction projects, including support for both capital and operating costs.
- The letter noted that the proponents are seeking clarity on these issues in order to move forward with investment decision and initiating regulatory applications. There is urgency in moving forward quickly in order to bring decarbonization projects online by 2030.
- The Letter suggested that *"if a 2030 sector specific emission target is set for oil sands, that emission target should not exceed 22 million tonnes (MT), recognizing that Pathways' Phase 1 plan to reduce*

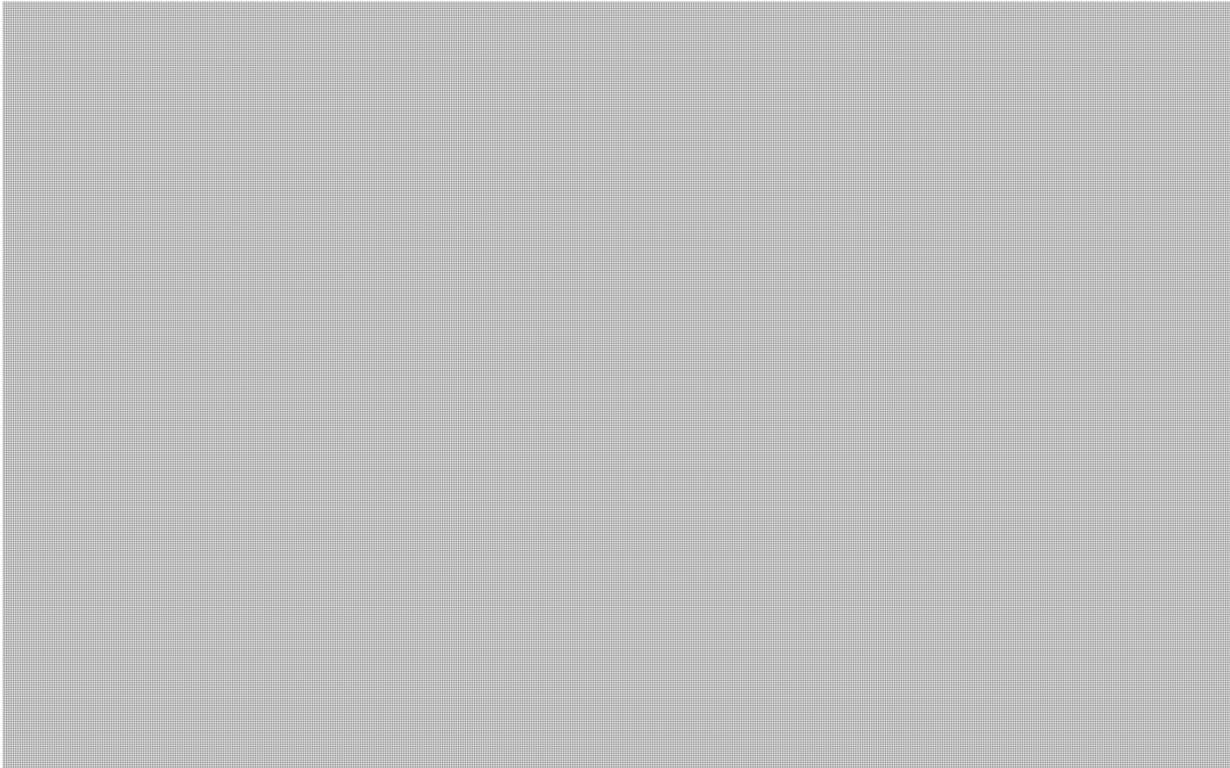
s.21(1)(a)

s.21(1)(b)

s.21(1)(c)

*GHG emissions by 22 MT by 2030 is ambitious and is predicated on the appropriate policy, and regulatory and economic certainty being in place.”*

- The issues identified are broadly consistent with previous conversations and written communication with the Pathways Alliance and its contemporaries. For instance, in a letter (dated September 8, 2022) from the Canadian Association of Petroleum Producers to Ministers Guilbeault and Wilkinson, the oil industry expressed its position in support of accountability for emissions and ambitious targets but flagged the need to consider the impacts on energy supply (i.e., energy security) and regional prosperity. CCUS was repeatedly noted as a key lever for industry, with emphasis on tax credits and other supports for CCUS projects.
- Ministers were also asked to reconsider adding new regulations, on the grounds that it would discourage investment, as well as to develop emissions trajectories with industry that balance emissions targets with decarbonization investments.



**From:** Conrad, Alexis  
**Sent:** Thursday, May 25, 2023 10:26 AM  
**To:** Pettit, Jayme  
**Cc:** Johnston, Shannon; Potvin, Anne-Marie; Villeneuve, Sophie; Greenland, Jason  
**Subject:** RE: For approval: Request for Note: Rhona DelFrari from Cenovus - meeting request for May 30th  
**Attachments:** DSec Memo - Cenovus - May 2023.docx

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With minor edits

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**From:** Pettit, Jayme <Jayme.Pettit@pco-bcp.gc.ca>  
**Sent:** Thursday, May 25, 2023 10:16 AM  
**To:** Conrad, Alexis <Alexis.Conrad@pco-bcp.gc.ca>  
**Cc:** Johnston, Shannon <Shannon.Johnston@pco-bcp.gc.ca>; Potvin, Anne-Marie <Anne-Marie.Potvin@pco-bcp.gc.ca>; Villeneuve, Sophie <Sophie.Villeneuve@pco-bcp.gc.ca>; Greenland, Jason <Jason.Greenland@pco-bcp.gc.ca>  
**Subject:** For approval: Request for Note: Rhona DelFrari from Cenovus - meeting request for May 30th

Alexis,

**Duplicate / Duplicata**

For your approval, attached is the note to support Kaili in the meeting with Cenovus to discuss the

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**-Meeting Note (In-Person)-**

**Meeting with Cenovus**

**May 30, 2023 – 80, Wellington Street, Room 411**

You will be meeting with Rhona DelFrari (Chief Sustainability Officer & Senior Vice President, Stakeholder Engagement) and Devin Iversen (Vice President of Government Affairs) from Cenovus to discuss the work underway to address funding gaps and regulatory hurdles to build Carbon Capture Utilization and Storage (CCUS). Radha Subramani will join you for the meeting.

While a specific agenda has not been established, we expect that they will re-iterate the points made in a letter sent by the Pathways Alliance to Ministers Champagne, Freeland, Guilbeault and Wilkinson, which included the following requests: support for operating costs; assurances the Pathways project will not be Designated for federal review; restoration of credits under the Clean Fuels Regulations; and, increased rates and expanded cost eligibility under the federal investment tax credits (ITC). The letter also states that oil sands emission requirement under the oil and gas cap for 2030 should not exceed 22 megatonnes (Mt), to align with Pathways' Phase 1 plan.

The meeting request also noted that Rhona DelFrari and Devin Iversen have been “a driving force behind the Pathways Alliance and are also responsible for setting the company's economic, social and governance targets including their plans to reduce GHG emissions by 35% by 2035.” Accordingly, they will likely link the success of Cenovus' plan to the outcomes achieved by Pathways Alliance project (and government support).

***Meeting Management & Suggested Speaking Points:***

Overall, we suggest that you remain primarily in listening mode, though you may wish to push them to share their analysis on trajectories and timelines, as well as to provide context/substantiation behind other views that they may put forward (e.g., changes to the ITCs).

- You could thank them for reaching out and requesting a meeting with you and express an understanding for the oil sector's concerns about receiving certainty on key policy questions in a timely fashion.
- Looking beyond the 2035 target, you could encourage them to discuss their longer-term plans to achieve net zero by 2050.
- On the question of project designation under the federal *Impact Assessment Act*, you could ask for a debrief of their discussions with the Impact Assessment Agency of Canada and encourage further engagement with IAAC and ECCC officials.
- You may choose refer to the Pathways letter and request further details on the timing and eligibility points made in the letter regarding the Investment Tax Credits, and encourage them to engage with the Department of Finance.
- Noting the January letter requested more generous tax credits, you may wish to ask Cenovus about their views on the Carbon Capture, Utilization & Storage (CCUS) tax credit introduced credits in B22 (and expanded via B23 “to include dual use heat and/or power equipment and water use equipment, with tax support prorated in proportion to the use of energy or material in the carbon capture, utilization, and storage process, subject to certain conditions”).

- You could follow up with questions seeking elaboration on their request for broader access to Clean Fuel Regulation (CFR) credits and their views on carbon contracts for differences.
  - In closing, you could thank them for a productive discussion and note PCO's role in whole-of-government climate and energy coordination and encourage them to engage with Ms. Johnson and ERDP.
    - If not already discussed, you could also inquire about their other engagements with government officials and ministers' offices.
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## CONTEXT

- Based in Calgary, Alberta, Cenovus is an integrated oil and natural gas company with operations that span across the full oil and natural gas value chain (e.g., exploration, production, refining, transportation and retail).
- Following the acquisition of Husky Energy in January 2021, Cenovus is the second largest Canadian oil and natural gas producer and the second largest Canadian-based refiner and upgrader.
- Cenovus is also a member of the Pathways Alliance (along with CNRL, ConocoPhillips, Imperial, MEG Energy, and Suncor), that collectively represent 95% of Canada's oil sands production and accounting for 11% of Canada's total GHG emissions (roughly 84Mt per year (2019)).

### ***Pathways Alliance - Letter to Ministers***

- On January 24, 2023, the Pathways Alliance sent a letter to Ministers Champagne, Freeland, Guilbeault and Wilkinson which outlined five key issues that they are seeking 'policy certainty' from the federal government on by mid-2023:
  - Support for 50% of operating costs for CCUS projects (capture facilities, pipelines and hubs), which would align more closely with the support being provided to CCUS projects in the United States under the Inflation Reduction Act.
  - Timely decisions regarding regulatory jurisdiction for CCUS projects in Alberta, specifically assurance that the Pathways pipeline, hub and capture projects would not require a federal review under the Impact Assessment Act.
  - Restore eligibility to generate Clean Fuel Regulations (CFR) credits for exported volumes of crude oil and bitumen using CCS technology, which would be stackable with other credits or fiscal measures.
  - Extending the higher investment tax credits (ITC) capex rates for CCUS projects that have started construction before 2035.
  - Ensuring that the Clean Tech ITC includes eligibility for decarbonization projects for the oil sands sector including solvent-based production and other non-CCUS emissions reduction projects, including support for both capital and operating costs.
- The letter noted that the proponents are seeking clarity on these issues in order to move forward with investment decision and initiating regulatory applications. There is urgency in moving forward quickly in order to bring decarbonization projects online by 2030.
- The Letter suggested that *"if a 2030 sector specific emission target is set for oil sands, that emission target should not exceed 22 million tonnes (MT), recognizing that Pathways' Phase 1 plan to reduce*

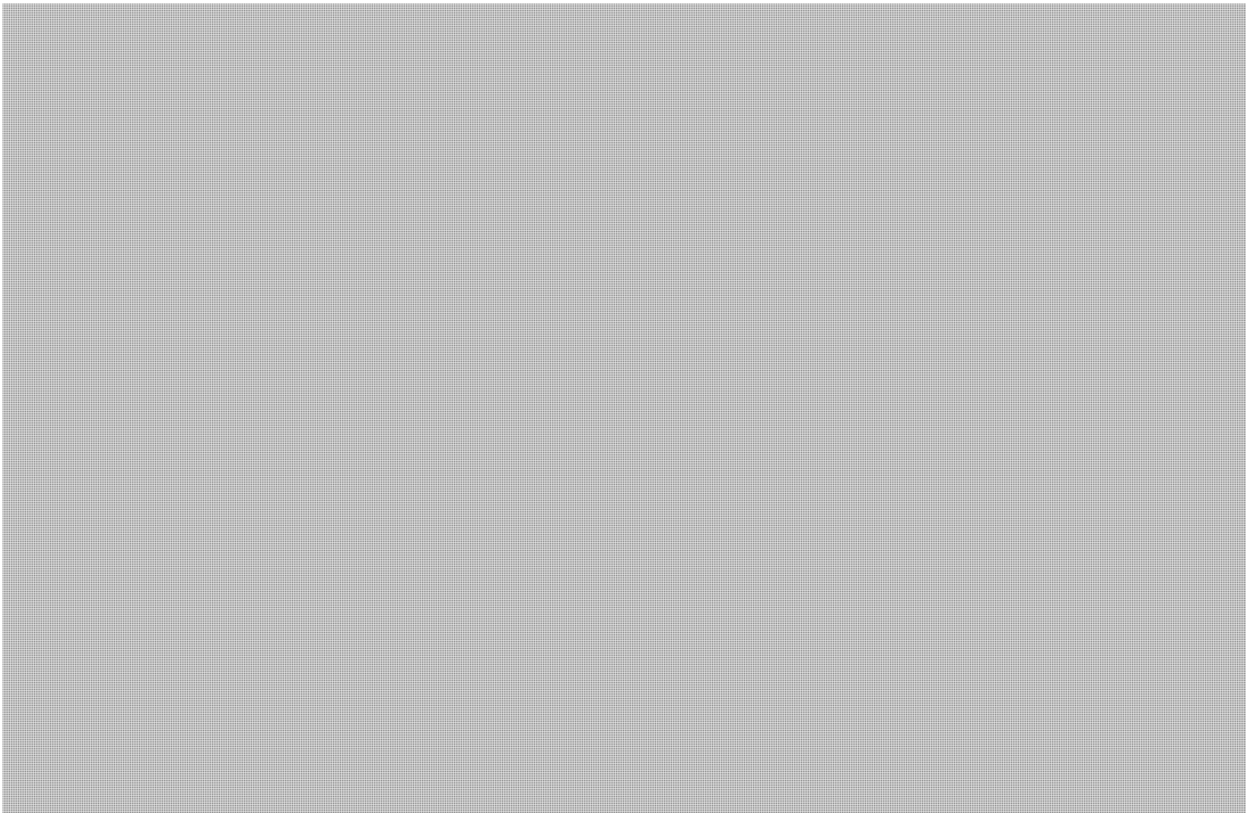
s.21(1)(a)

s.21(1)(b)

s.21(1)(c)

*GHG emissions by 22 MT by 2030 is ambitious and is predicated on the appropriate policy, and regulatory and economic certainty being in place.”*

- The issues identified are broadly consistent with previous conversations and written communication with the Pathways Alliance and its contemporaries. For instance, in a letter (dated September 8, 2022) from the Canadian Association of Petroleum Producers to Ministers Guilbeault and Wilkinson, the oil industry expressed its position in support of accountability for emissions and ambitious targets but flagged the need to consider the impacts on energy supply (i.e., energy security) and regional prosperity. CCUS was repeatedly noted as a key lever for industry, with emphasis on tax credits and other supports for CCUS projects.
- Ministers were also asked to reconsider adding new regulations, on the grounds that it would discourage investment, as well as to develop emissions trajectories with industry that balance emissions targets with decarbonization investments.



**From:** [Johnston, Shannon](#)  
**Sent:** Tuesday, May 30, 2023 10:33 AM  
**To:** [deVlieger, Matt](#); [Greenland, Jason](#); [Subramani, Radha](#)  
**Cc:** [Hopkinson, Ashley](#)  
**Subject:** RE: Cenovus meeting this aft - meeting note?  
**Attachments:** DSec Memo - Cenovus - May 2023.docx

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Here you go!

**Shannon Johnston**

[shannon.johnston@pco-bcp.gc.ca](mailto:shannon.johnston@pco-bcp.gc.ca) | +1-343-575-1002

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**From:** deVlieger, Matt <Matt.deVlieger@pco-bcp.gc.ca>  
**Sent:** Tuesday, May 30, 2023 10:32 AM  
**To:** Greenland, Jason <Jason.Greenland@pco-bcp.gc.ca>; Subramani, Radha <Radha.Subramani@pco-bcp.gc.ca>  
**Cc:** Johnston, Shannon <Shannon.Johnston@pco-bcp.gc.ca>; Hopkinson, Ashley <Ashley.Hopkinson@pco-bcp.gc.ca>  
**Subject:** Cenovus meeting this aft - meeting note?

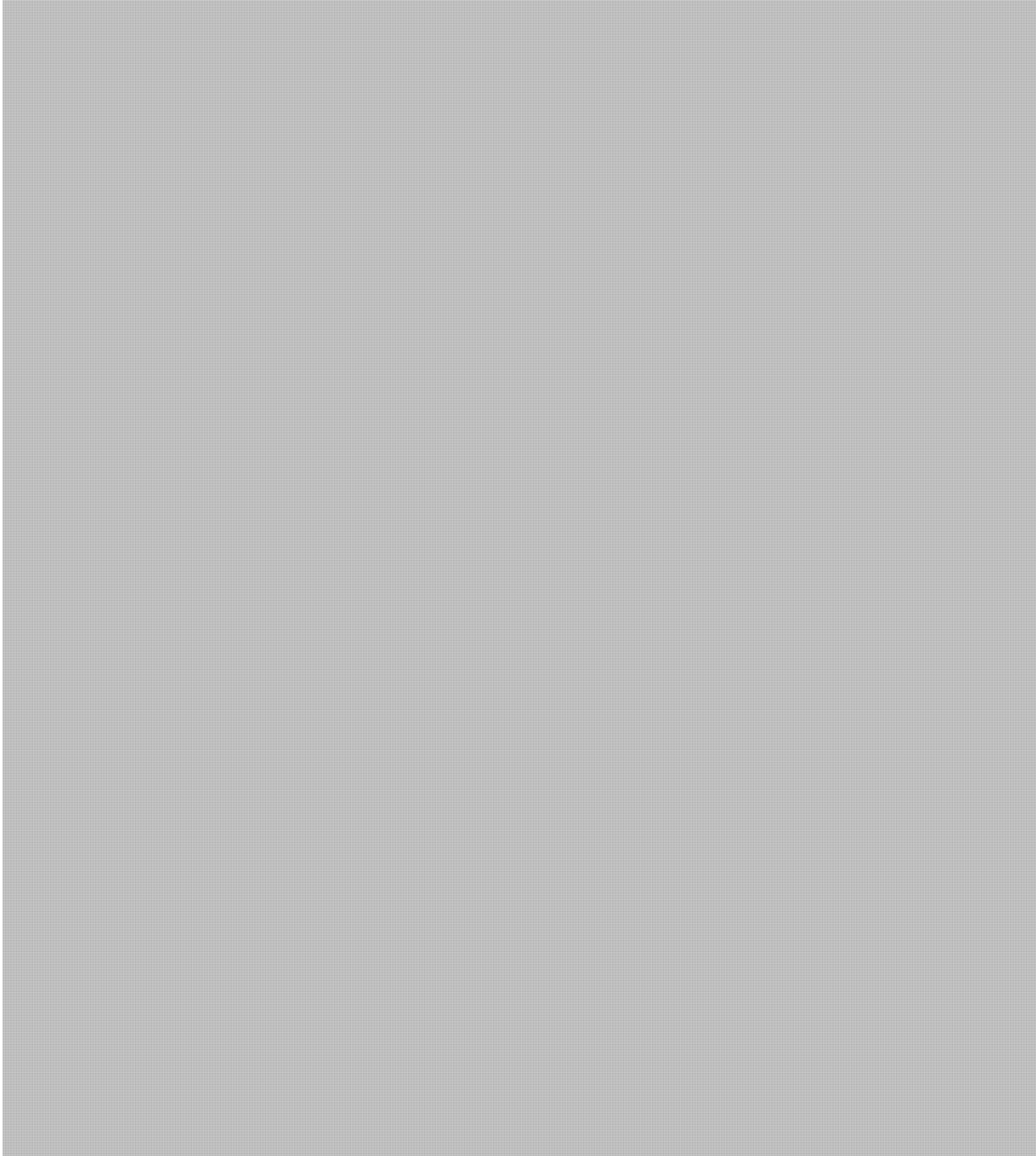
Hi! Kaili has asked that I join this one too (not sure why exactly). Can you please share the note that was done for this?

**-Meeting Note (In-Person)-**

**Meeting with Cenovus**

**May 30, 2023 – 80, Wellington Street, Room 411**

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**From:** [deVlieger, Matt](#)  
**Sent:** Tuesday, May 30, 2023 11:11 AM  
**To:** [Johnston, Shannon](#); [Greenland, Jason](#); [Subramani, Radha](#)  
**Cc:** [Hopkinson, Ashley](#)  
**Subject:** RE: Cenovus meeting this aft - meeting note?

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Thanks!

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**From:** Johnston, Shannon <Shannon.Johnston@pco-bcp.gc.ca>  
**Sent:** Tuesday, May 30, 2023 10:33 AM  
**To:** deVlieger, Matt <Matt.deVlieger@pco-bcp.gc.ca>; Greenland, Jason <Jason.Greenland@pco-bcp.gc.ca>; Subramani, Radha <Radha.Subramani@pco-bcp.gc.ca>  
**Cc:** Hopkinson, Ashley <Ashley.Hopkinson@pco-bcp.gc.ca>  
**Subject:** RE: Cenovus meeting this aft - meeting note?

**Duplicate / Duplicata**

Here you go!



**From:** Demerse, Clare  
**Sent:** Friday, July 28, 2023 3:59 PM  
**To:** Hopkinson, Ashley  
**Subject:** FW: Cenovus meeting this aft - meeting note?  
**Attachments:** DSec Memo - Cenovus - May 2023.docx

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Here's the email

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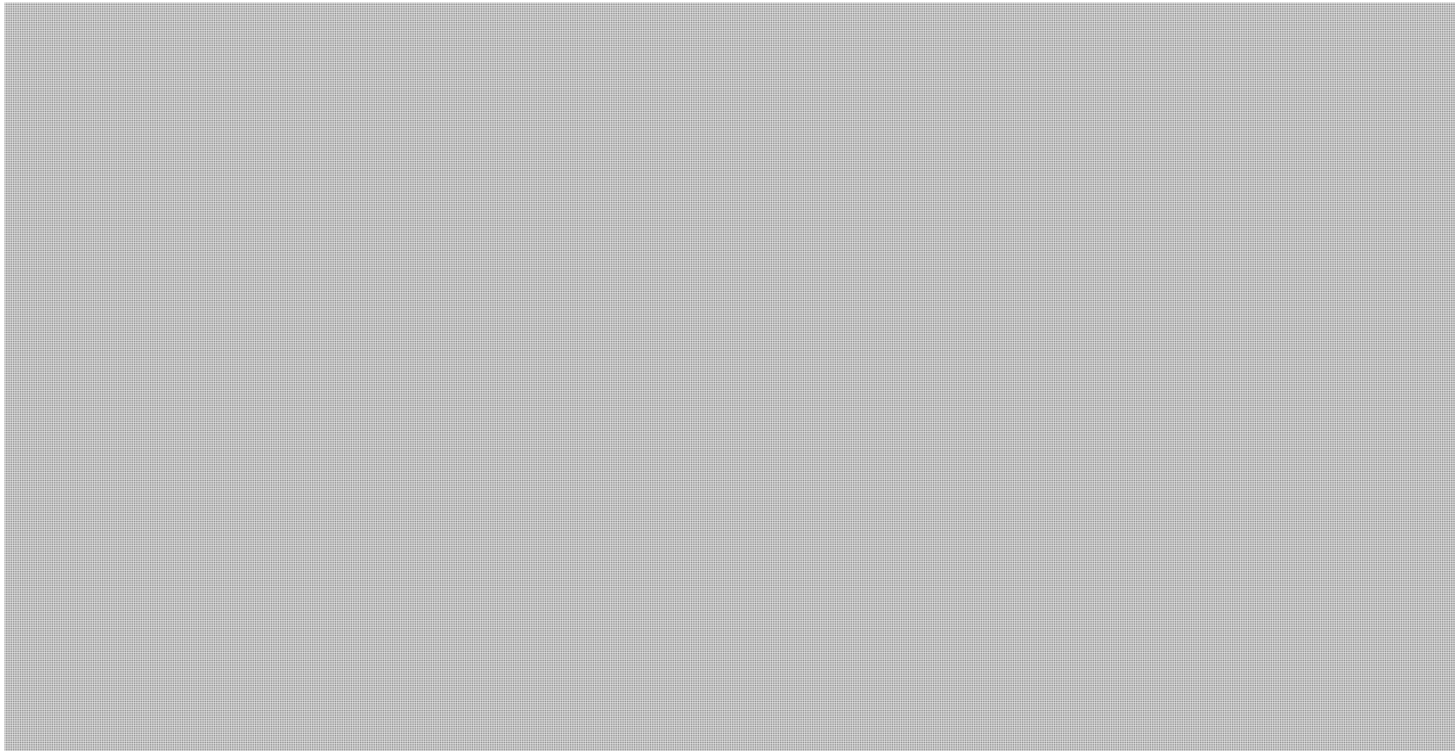
**From:** deVlieger, Matt <Matt.deVlieger@pco-bcp.gc.ca>  
**Sent:** Tuesday, May 30, 2023 11:13 AM  
**To:** Demerse, Clare <Clare.Demerse@pco-bcp.gc.ca>  
**Subject:** FW: Cenovus meeting this aft - meeting note?

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**From:** Johnston, Shannon <Shannon.Johnston@pco-bcp.gc.ca>  
**Sent:** Tuesday, May 30, 2023 10:33 AM  
**To:** deVlieger, Matt <Matt.deVlieger@pco-bcp.gc.ca>; Greenland, Jason <Jason.Greenland@pco-bcp.gc.ca>; Subramani, Radha <Radha.Subramani@pco-bcp.gc.ca>  
**Cc:** Hopkinson, Ashley <Ashley.Hopkinson@pco-bcp.gc.ca>  
**Subject:** RE: Cenovus meeting this aft - meeting note?

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Here you go!

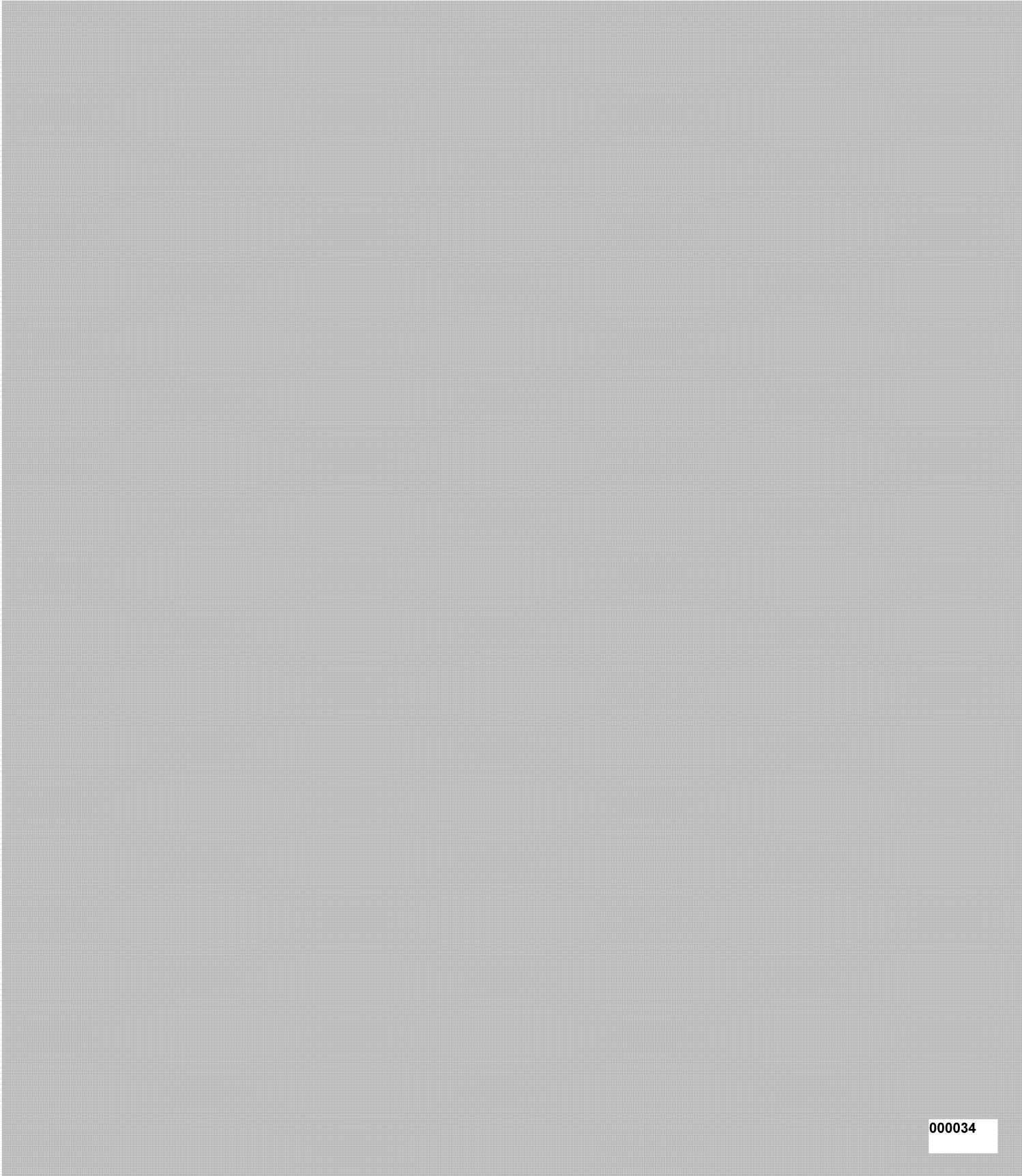


**-Meeting Note (In-Person)-**

**Meeting with Cenovus**

**May 30, 2023 – 80, Wellington Street, Room 411**

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