Summary of CERI's "Economic Impacts of Staged Development of Oil Sands Projects in Alberta (2010-2035)"

The Canadian Energy Research Institute (CERI) has completed a study of the impact of developing Alberta's oil sands in a staged manner according to the capacity and in-service date of existing and proposed pipelines. CERI estimated the amount of capital and operating expenditures that will be required to enable these upstream projects (*both existing and proposed*)[1]. CERI then used a standard economic model to estimate the impact this spending will have on employment and Gross Domestic Product (GDP).

The report shows that in 2010 80,000 U.S. jobs were supported by existing oil sands projects but that without additional pipeline capacity, substantial future benefits will be lost. In particular, Keystone XL pipeline alone could support close to 85,000 U.S. jobs in 2020. Without any pipeline constraints, oil sands development could support 600,000 U.S. jobs by 2035.

The findings relevant to the U.S. include:

- Given the *existing* export pipeline capacity out of Western Canada (Case 1: Existing Projects), the estimated investments, reinvestments, and revenues from operation of existing and under construction oil sands projects will boost total U.S. GDP by close to $210 billion between 2010 and 2035. These projects supported 80,000 U.S. jobs in 2010 and CERI estimates the number of U.S. jobs supported by these projects to peak at 94,000 jobs in 2018-2019 and then remain steady at roughly 90,000 jobs out to 2035.

- Development of additional pipeline capacity would allow new oil sands projects to be initiated. If the Keystone XL pipeline becomes operational (Case 2: Keystone XL), the oil sands projects in Case 1 *plus* oil sands projects that are now feasible due the addition of Keystone XL are estimated to increase U.S. GDP by close to $359 billion between 2010 and 2035. U.S. employment totals are expected to grow from 80,000 jobs in 2010 to a peak of 179,000 jobs in 2035.

- Separating the impacts of Case 1 from Case 2 yields the impacts of oil sands projects that are now feasible due *solely* to the addition of Keystone XL. These projects would support over 10,000 U.S. jobs in 2012, 45,000 in 2015 and close to 85,000 jobs in 2020. After 2020, they would continue to support between 72,000 to 81,000 U.S. jobs each year out to 2035. If throughput is expanded from 700,000 to 900,000 barrels per day, these numbers would be even larger (this scenario is considered under Case 4).

- If Pacific markets become accessible (Case 3: Northern Gateway), the oil sands projects in Case 2 *plus* oil sands projects that are now feasible due the addition of pipelines to Pacific markets are estimated to increase U.S. GDP by $397 billion between 2010 and 2035. U.S. employment totals are expected to grow from 80,000 jobs in 2010 to a peak of 200,000 jobs in 2020.

- If ***all*** the oil sands projects included in CERI's "Realistic Forecast" are permitted to develop (Case 4: Announced & Potential Pipelines), total U.S. GDP impacts are estimated at close to $775

[1] This is in contrast with the May CERI study that only examined the impacts of *new* oil sands projects.

billion by 2035 and U.S. employment totals are expected to grow from 80,000 jobs in 2010 to a peak of 600,000 jobs in 2035.

- The 5 states benefiting most from oil sands development are Illinois, California, Texas, New York, and Wisconsin.

US Employment (Thousand Jobs)