

In 1987, domestic demand for motor gasoline and diesel fuel oil increased 2.2% accounting for 57.2% of the increased domestic demand for petroleum products. There was a net export balance on petroleum product trade of 2 million m³ during 1987.

11.6 Pipelines

During 1987, the Interprovincial Pipeline completed a three-phase major expansion program between Edmonton, Alta. and Superior, Wisconsin. The final phase increased pipeline capacity by 15 000 m³ per day. The first and second phases had increased capacity by 12 000 and 25 000 m³ per day, respectively. Pipeline expansion was essential to accommodate higher-than-anticipated production levels of light and heavy crude oils. The pipeline operated at close to capacity throughout the year and during the months when demand exceeded capacity, apportionment of pipeline space was necessary.

11.7 Coal

Canada has abundant coal resources, including 6 billion tonnes of proven reserves, equivalent to about 100 year's supply at current production rates. In addition, there are 30 billion tonnes contained in known deposits which have not yet been fully delineated.

In 1987, coal production reached an all-time high of 61.2 million tonnes. Of this, 26.7 million tonnes, or 43.7%, was exported, mainly from British Columbia and Alberta mines, with small quantities shipped from Nova Scotia. Japan and Korea are Canada's major export customers. In 1987, 14.3 million tonnes were imported into Central Canada from US mines, mostly for use in the generation of electricity and steel-making. Overall, Canada was a net exporter of coal, with a trade surplus of \$945 million in 1987.

Within Canada, by far the largest use of coal is for the generation of electricity; 83.2% of the total domestic use of 50.3 million tonnes of coal is for electricity. In 1987, Alberta obtained 84.8% of its electricity from coal; Saskatchewan, 70.7%; Nova Scotia, 67.5%; Ontario, 24.0%; and New Brunswick, 11.0%.

Due to environmental considerations, Ontario Hydro is using increasing quantities of low-sulphur thermal coal from Western Canada. In the next few years, its total coal needs will decline as new nuclear capacity comes on stream, but Ontario's dependence on coal is expected to increase again in the mid 1990s. In the other provinces, coal demand is expected to grow

steadily. New technologies are being demonstrated to reduce emissions of sulphur and nitrogen oxides which contribute to acid rain. For the longer term, Canadian utilities are evaluating more efficient generating systems that produce less carbon dioxide emissions per unit of electricity.

The second largest use of coal is to produce coke used in steelmaking. Total consumption is expected to remain steady at about 6 million tonnes per year. In the next decade, new steelmaking technologies that do not use coke are expected to be gradually adopted.

11.8 Uranium

Canada maintained its position as the world's leading producer and exporter of uranium in 1987. Output from Canada's five primary uranium producers was estimated at 12 455 tU (tonnes uranium), up for the second consecutive year. Shipments of primary uranium in 1987 were estimated at 13 612 tU and valued at \$1,182 million, as compared with 11 502 tU (\$1,042 million) in 1986.

After several years of declining exploration activity, exploration expenditures rose modestly in 1986 to \$33 million and reached \$36 million in 1987. Exploration drilling decreased in 1986, as efforts were concentrated on established properties with proven resources. The outlook for Canada's uranium brightened considerably in 1987. The Canada-US Trade Agreement could ensure access to the US market, which is the largest in terms of uncommitted uranium demand. In the near to medium term, this market is crucial to Canada's uranium producers.

11.9 Electric power

11.9.1 Electricity generation

Electricity generation increased 5.8% in 1987 to 483 641 GWh (gigawatt hours). Of this total, 403 392 GWh met domestic demand, 47 426 GWh were for export and 36 274 GWh were for own use, transmission losses and other adjustments.

All provinces except Manitoba and Newfoundland reported increased electrical generation during 1987. However, due to a general lack of rainfall during the year, hydro generation was down in most provinces. With the exclusion of Quebec and British Columbia, hydro generation was down 7 086 GWh (-7.1%). Hydro generation in Quebec was up 5.5%, due to increased generating capacity and exports; in British Columbia, hydro generation was up 24.8% due to greater export demand which made use of new capacity put in place in 1985.