The absurd continuation of waste in Canada - (TMX) Trans-Mountain expansion project

June 2022, I predicted that the total cost of the TMX would exceed $30 Billion and created a blueprint for the creation of a hydrogen industry in Canada.

March 10, 2023[[1]](#endnote-1), the Trans-Mountain Corporation reported the total cost would be approximately **$30.9 Billion**,[[2]](#footnote-1) the project would be mechanically complete by the end of 2023, and it would be in service by first quarter of 2024.

They then provided us an update Feb 18, 2022[[3]](#endnote-2) stating the total cost at that time was estimated to be **$ 21.4 Billion** (an increased from $ 12.6 Billion) and now estimated that the project will be mechanically complete by the third quarter of 2023.

Their revised 2022 updated estimate (which included all the natural disasters) was to spend $ *4.28 Billion* **per year** over 5 years. At that point in time, they had likely used the entirety of the original $12.6 Billion estimate forcing the higher revision.

In the 2023 update their revised estimate was to spend $ *6.18 Billion* **per year** over 5 years. Once again, they had probably spent $ 24.72 Billion already, which is where they have come up with their current estimate.

They likely spent $ 24.72 Billion to do 80% of the mechanical work. It is also likely (barring any unexpected delays) the estimate of $30.9 Billion is reasonable.

20% of 30.9 = 6.18

We now need to factor in a fudge factor based on the previous revisions:

* The 2022 estimate was **70%** higher than the 2018 estimate
* The 2023 estimate is **44%** higher than the 2022 estimate

Given a compressed timeframe and that their accuracy is improving, I feel despite their obvious contempt for the Canadian taxpayer the current estimate is close; +/- $2 Billion.

What’s a few Billion between friends?

When Chancellor Scholz[[4]](#endnote-3) came to Canada looking to replace Russian energy I was embarrassed because I knew he would leave with EMPTY WORDS. Less than a year later, [[5]](#endnote-4)European Commission President Ursula von der Leyen visited, and it is unlikely that anything meaningful will result. This Canadian Federal Government is not in the business of solving peoples’ problems, it has an awful habit of simply throwing money at a problem and hoping it goes away (at least until the next election).

For the cost of one worthless pipeline[[6]](#endnote-5) (assuming it cannot be converted to carry hydrogen) we could have jumpstarted a new industry ensuring a high standard of living for all Canadians which then could be shared with others.

As it stands now, we are paying to expand a dying industry and ensuring that the climate change problem gets worse.

What economics school will advocate entering an industry where the demand is guaranteed to fall in the near future?

When are we going to start looking ahead to progressive clean energy sources and leave the dirty energy of the historic industrial revolution behind?

When will we start to recognize climate change is a problem and try to help others?

About 6 months ago I while having a conversation with a life-long friend, he mentioned he was worried about the excessive spending of this government and that our kids are going to be on the hook for the bill. I verbally shrugged and asked him what is the difference between the deficit and climate change? He immediately rebutted, “they are not the same.” I replied, “they are the same, the current generation stealing from the future.”

Out and about during any day, I notice such slogans as “All Children Matter”, “All Lives Matter”, “Baby on board”, “Protect our children SLOW DOWN”, “School Zone”, etc. and I often have had to suppress a sarcastic chuckle because I live in one of the wealthiest locations on the planet and we are actively working to make life harder for future generations and perhaps threatening our entire civilization (who knows how bad its’ going to get).

Advocates of Canada’s current path in terms of energy production would quickly point out that Carbon Capture Technology will save the day. In this [video](https://youtu.be/am-2kh9H-aY) I explain why it will not work in Canada.

Many Canadians lament current conditions and yearn for the past to the point where it blinds us. Nothing can be done about previous choices we can only learn from them and make better ones. Our civilization could depend on it.

What can we do?

We need to put every politician on notice that their job depends on MEANINGFUL action to help solve the problem of climate change. Kick out the established politicians and parties (if possible) out and elect mainly Green party candidates as there is a high probability that they are not part of the “good ol’ boys” club!

Spread/share messages like this one! Without widespread attention, the status quo wins..

Scorecard

Potential Customers

Fossil Fuels - China and India? Maybe, Russian crude oil production is estimated at $US 40, would they undercut us?

Hydrogen - Everyone

Green Hydrogen is a guaranteed win:

* + - * Europe will buy whatever we can export
      * Japan will likely buy whatever we can export
      * China and India are far more likely to buy Hydrogen from us than Fossil Fuels

I am just finishing a prediction series in video [here](https://www.youtube.com/channel/UC1aimmA6ZTNDGdFZNnYGMdw), some of my writing is available here <https://www.rened.co/>

About the Author

I love macroeconomics, in University I took every macroeconomics course offered and continue reading books on macroeconomics and philosophy to this day. I have spent lengthy 13 years in the financial community, 8 of those trading futures professionally and personally.

I have exercised my talent in such high profiles as: RBC, TD, and two private brokerage firms also provided a Commodities focused radio commentary for five years airing across western Canada where my many years in toastmasters was put to practice.

In 2011, I could no longer reconcile what I was doing with who I was and left the financial industry. Ever since I have been seeking the occupation that combines my strengths and my ethics.

Work Experience

I was an assistant Branch Manager at one of the private brokerage houses, and have management experience both in the office and in the field. I extensive experience working within the mining industry as well the financial industry; working across this company both East to West and North to South.

1. <https://www.transmountain.com/news/2023/trans-mountain-corporation-provides-update-on-the-expansion-project> [↑](#endnote-ref-1)
2. All figures in Canadian dollars unless otherwise denoted [↑](#footnote-ref-1)
3. <https://energynow.ca/2022/02/trans-mountain-corporation-updates-expansion-project-cost-and-schedule-2/> [↑](#endnote-ref-2)
4. <https://globalnews.ca/news/9075705/german-chancellor-olaf-scholz-canada/> [↑](#endnote-ref-3)
5. <https://www.ctvnews.ca/politics/trudeau-announces-supports-for-ukraine-hydrogen-deal-with-europe-as-eu-head-visits-1.6302031> [↑](#endnote-ref-4)
6. <https://www.cbc.ca/news/politics/budget-officer-trans-mountain-expansion-1.6497263> [↑](#endnote-ref-5)