# Energy statistics, March 2020

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In March, energy production and consumption were affected by the measures taken to contain the spread of COVID-19. Domestic consumption of motor gasoline for transportation and natural gas used by commercial and institutional consumers were particularly impacted, as activities in these sub-sectors were significantly reduced in the second half of the month.

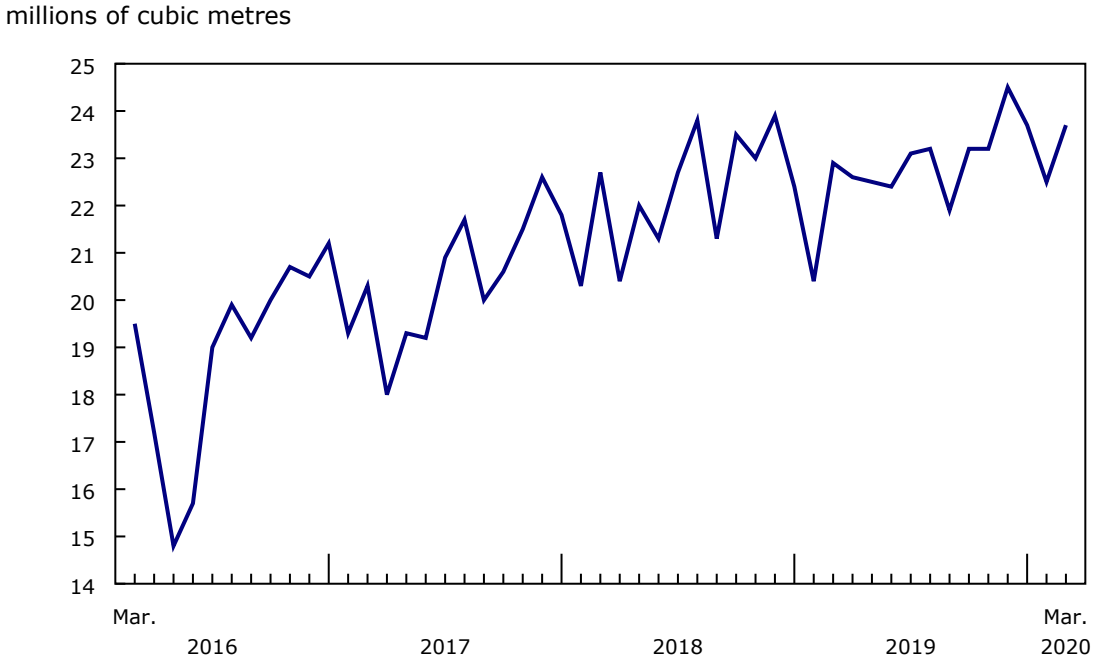
With a full month of physical distancing policies in place, production and disposition of most energy products are expected to continue on a downward trend in April.

For more information on energy in Canada, please visit the Canadian Energy Information Portal. For regular updates on the Canadian Centre for Energy Information initiative, please visit the website and follow #energynews on social media.

## Lower energy prices and COVID-19 impact crude oil production

Canada produced 23.7 million cubic metres (148.9 million barrels) of crude oil and equivalent products in March, up 3.5% from March 2019, when ongoing government-imposed production cuts limited crude output in Alberta. Over the past year, crude production has been slowly ramping up due to the gradual easing of these production cuts.

**Chart 1**
**Production of crude oil and equivalent products**




**Source(s):** Table 25-10-0063-01.

Despite the year-over-year increase, daily production of crude oil (excluding equivalent products) fell 1.8% from February to 692.7 thousand cubic metres in March—the lowest daily production level since October 2019. The main contributor to the decrease was oil sands extraction, which includes crude bitumen and synthetic crude oil, down 1.9% to 478.6 thousand cubic metres. Extraction of heavy, medium and light crude oil declined 1.7% to 214.1 thousand cubic metres per day.

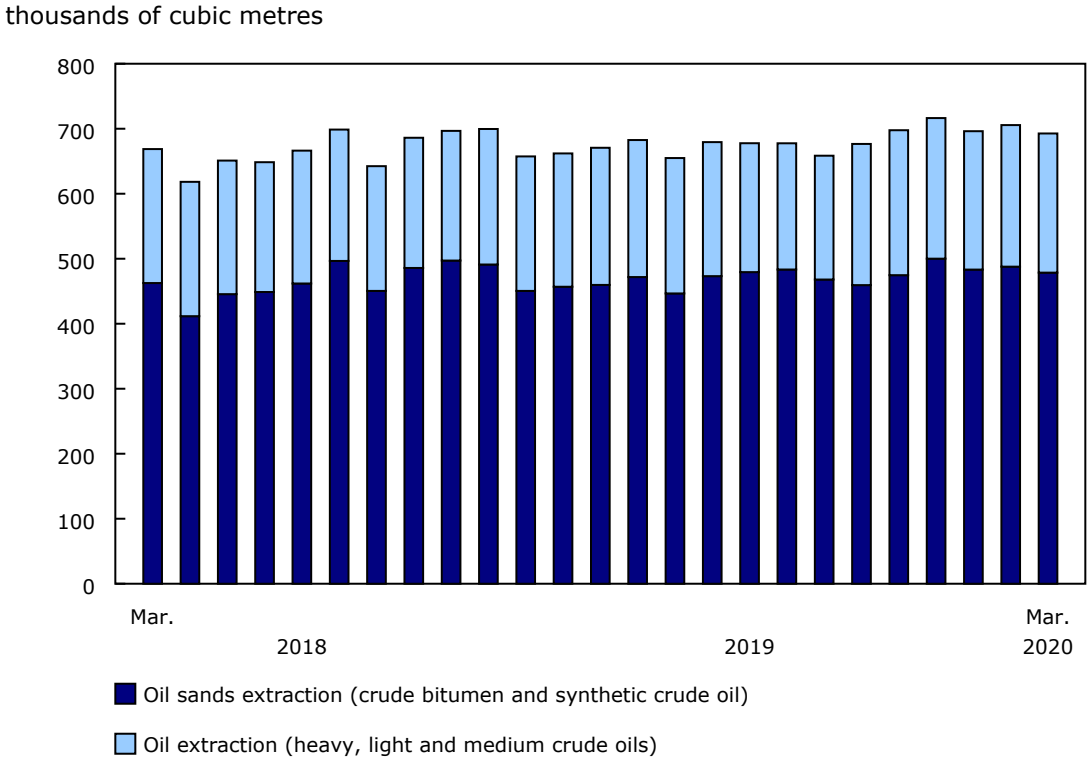
**Factors affecting the energy sector in March**

Energy markets were confronted with unprecedented challenges in March. The Organization of the Petroleum Exporting Countries (OPEC) and Russia were unable to reach an agreement to reduce crude oil production. Consistent levels of production coincided with a general decline in demand due to COVID-19. This resulted in the supply of crude oil exceeding demand, a build-up in inventory levels and the collapse of the global price of crude oil, forcing oil producers—including those in Canada—to consider voluntary production cuts.

Physical distancing measures and travel restrictions imposed by governments to reduce the spread of the virus further diminished the demand for refined petroleum products such as motor gasoline and jet fuel.

The Industrial Product Price Index decreased 0.9% from February to March, the largest monthly drop since June 2019. The decrease was mainly attributable to lower prices for energy and petroleum products (-14.6%). The decline in these energy products was largely driven by a 39.7% drop in crude oil prices in March, according to the Raw Materials Price Index.

## Chart 2
## Average daily production, oil sands extraction and oil extraction




**Source(s):** Table 25-10-0063-01.

Exports of crude oil and equivalent products were largely unaffected by the pandemic in March as contracts from previous months were filled. Total exports rose 7.7% year over year to 19.7 million cubic metres.

Exports to the United States by pipeline rose 3.4% to 16.6 million cubic metres and accounted for 84.3% of total exports. Exports to other countries and exports to the United States by other means (rail, truck and marine) also increased in March, mostly due to higher volumes exported from Alberta and Newfoundland and Labrador.

Imports of crude oil and equivalent products declined year over year for the second consecutive month, down 0.6% to 3.9 million cubic metres in March, due to lower volumes imported by Canadian refineries.

## Domestic consumption of motor gasoline affected by COVID-19

Refinery activity slowed in March as a result of lower demand following physical distancing measures. Some refineries also postponed their usual spring maintenance work as a result of the pandemic to avoid the risk of exposing workers and contractors.

Net production of motor gasoline (including blending components and ethanol fuel) decreased 5.3% to 3.6 million cubic metres in March. Domestic consumption of motor gasoline declined 13.4% year over year to 3.0 million cubic metres as drivers stayed home.

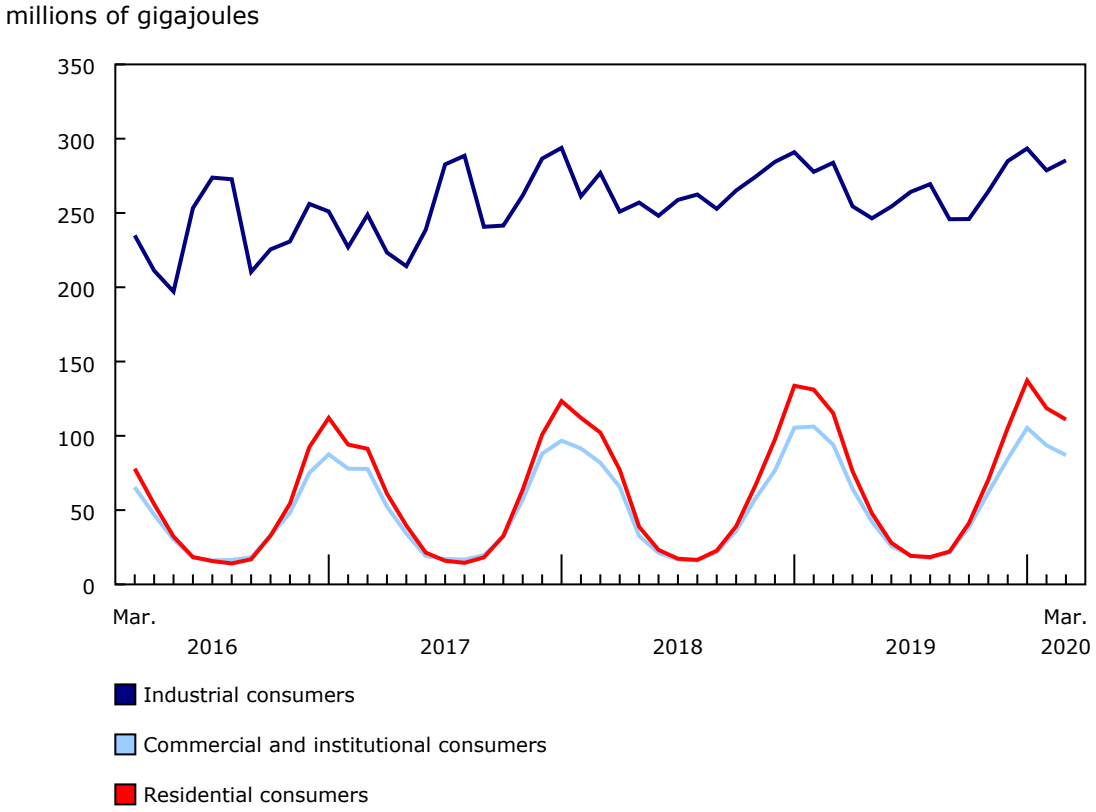
Net production of diesel fuel oil rose 4.5% to 3.4 million cubic metres, while domestic consumption of diesel fuel oil increased 3.8% to 2.6 million cubic metres.

## Natural gas production declines on lower demand

Canadian marketable natural gas production decreased 3.2% year over year to 596.4 million gigajoules in March.

Total deliveries of natural gas to Canadian consumers declined for the second consecutive month, down 2.0% year over year to 483.4 million gigajoules in March, due to lower demand for heating from the commercial and institutional (-7.5%) and residential (-3.7%) sectors. Deliveries of natural gas to industrial consumers edged up 0.6%.

## Chart 3
## Canadian monthly natural gas deliveries




**Source(s):** Table 25-10-0055-01.

Exports of natural gas by pipeline to the United States declined 13.4% to 237.4 million gigajoules in March, the largest year-over-year decrease since April 2019. This was also the lowest level of exports for the month of March since the data series began in January 2016. Demand for Canadian natural gas fell in tandem with the slowdown in economic activity in the United States.

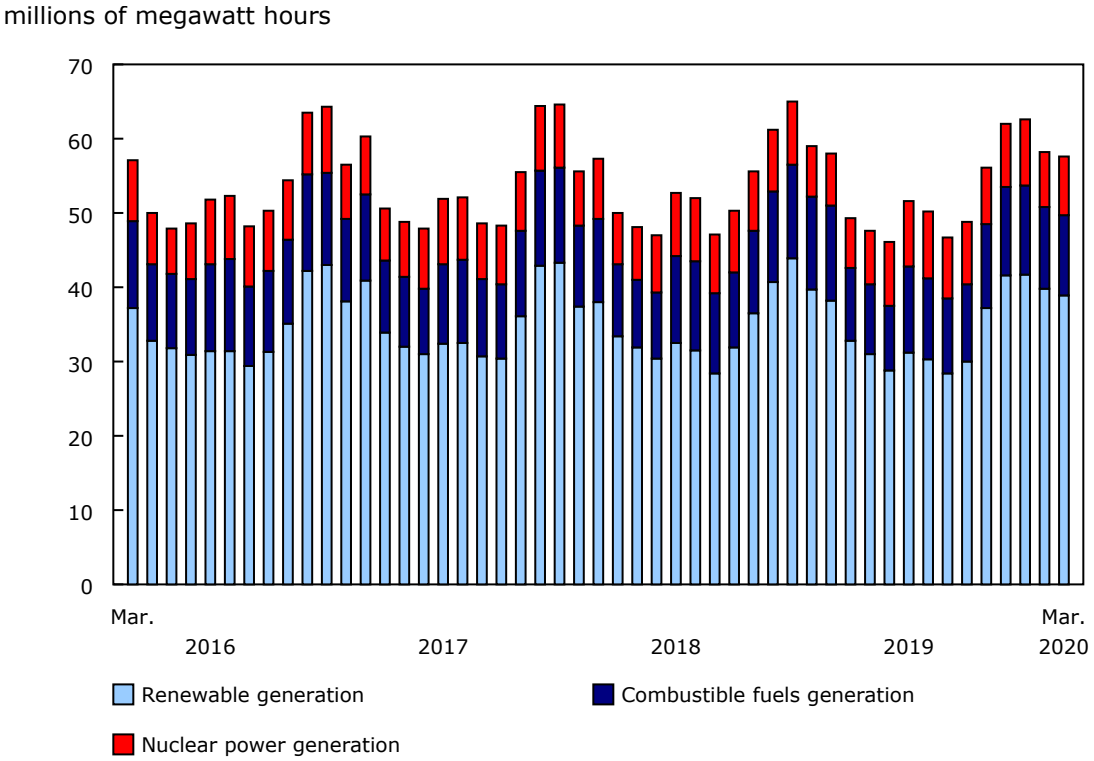
Imports of natural gas from the United States by pipeline were down 6.7% to 105.8 million gigajoules, the second consecutive monthly year-over-year decline.

## Electricity generation down

Electricity generation in Canada decreased 0.7% year over year to 57.6 million megawatt-hours (MWh) in March. The decline was mainly attributable to electricity generated from combustible fuels, down 15.5% to 10.8 million MWh.

The overall decrease in electricity generation was partially offset by renewable generation (including hydro, wind, solar, tidal and other sources), up 3.8% year over year to 39.7 million MWh, and nuclear generation, up 12.8% year over year to 7.9 million MWh.

## Chart 4
## Electricity generation




**Source(s):** Table 25-10-0015-01.

Electricity exports to the United States rose 19.7% to 5.3 million MWh in March. Most exports originated from Quebec, Ontario and Manitoba. Imports of electricity from the United States, which tend to be volatile, decreased 29.9% to 1.1 million MWh. Over half of all electricity imported went to British Columbia.

## Coal and coke production declines

Coal production continued on a downward trend, declining 20.5% year over year to 4.0 million tonnes in March. Coke production decreased 10.8% to 183.6 thousand tonnes.

### *Note to readers*

*The survey programs that support the energy statistics release include the following:*

- *crude oil and natural gas, supply and disposition (survey number 2198, tables 25-10-0036-01, 25-10-0055-01 and 25-10-0063-01)—data from January and February 2020 have been revised.*
- *energy transportation and storage (survey number 5300, tables 25-10-0075-01 and 25-10-0077-01)—data for January and February 2020 have been revised.*
- *natural gas transmission, storage and distribution (survey numbers 2149, 5210 and 5215, tables 25-10-0057-01, 25-10-0058-01 and 25-10-0059-01).*
- *supply and disposition of refined petroleum products (survey number 2150, table 25-10-0076-01)—data from January 2019 to February 2020 have been revised.*
- *electric power statistics (survey number 2151, tables 25-10-0015-01 and 25-10-0016-01)—data for February 2020 have been revised.*
- *coal and coke statistics (survey numbers 2147 and 2003, tables 25-10-0045-01 and 25-10-0046-01)—data for January and February 2020 have been revised.*

*Data are subject to revisions. Definitions, data sources and methods for each survey program remain available by accessing each survey's respective number.*

*As of reference month January 2020, the questionnaire for the Monthly Canadian Pipeline Transport of Oil and Other Liquid Petroleum Products Survey has been redesigned. The new survey (named Monthly Energy Transportation and Storage Survey) content has changed to reflect the evolving petroleum industry. In addition to pipeline companies, rail and marine transportation are now included in the sample. New variables have been added, while other variables have been discontinued. Due to the change in methodology, the current estimates may not be comparable with the estimates available in the published tables prior to January 2020.*

*As of reference month January 2019, the Monthly Refined Petroleum Products Survey has been redesigned. The questionnaire content has changed to reflect the evolving refined petroleum industry. Upgraders and petroleum terminals are now included in the survey frame. New variables have been added, while other variables have been discontinued. Because of the change in methodology, the current estimates may not be comparable with the estimates available prior to January 2019.*

*The energy statistics program uses respondent and administrative data.*

*Data in this release are not seasonally adjusted.*

**Available tables: 25-10-0015-01, 25-10-0016-01, 25-10-0036-01, 25-10-0045-01, 25-10-0046-01, 25-10-0055-01, 25-10-0063-01 and 25-10-0076-01.**

**Definitions, data sources and methods: survey numbers 2003, 2147, 2149, 2150, 2151, 2198, 5210, 5215 and 5300.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; **STATCAN.infostats-infostats.STATCAN@canada.ca**) or Media Relations (613-951-4636; **STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca**).