

# POPULISM, ENERGY WALLS, AND EXECUTIVE DOMINATION

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## **Populism, Energy Walls, and Executive Domination**

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We have entered a new era of alternative facts, and fake news - a time when expertise and science are seen more as a product of elite construction than product of independent evidence gathering. Remarkably, building walls, reinforcing silos, defending borders, advancing executive dominated bi-lateral forums and processes have become popular practices. These have generally replaced older normative chimeras consumed by ideas of good governance or promoting effective integration across jurisdictions and policy fields.

Knowledge construction and brokering is influenced by those in power, and processes which exist for promoting patterns of integration, fragmentation, collaboration, or competition. In recent history, efforts to integrate, identify common interdependent problems and then resolve them based on evidence and best policy practice have lost momentum. On the other hand, there have always been struggles to achieving functional integration as a result of inherited competitive state structures and silos that have persisted and dominate most areas of decision-making. The narrative of good public policy and more integrated collaborative approaches to identifying and resolving interdependent issues has lost much of its shine. In addition, concerted efforts to reform, replace, or invest in integrated policy processes and mechanisms have lost steam also.

In an era of Brexit, and President Trump's populist leadership, challenges of the democratic deficit, globalization and institutional deficiencies there is growing public distrust and political division. The paper is informed by the assumption that these trends are closely connected to the inherited competitive, silo-based forms of knowledge construction that remain powerful and should not be underestimated. Such pathways are deeply entrenched. In addition, these embedded territorial power sharing systems were never designed for effective integration or dealing with interdependent issues across jurisdictional boundaries. Relying upon path dependency and a historical-institutional framework,<sup>1</sup> the paper offers critical insights on the territoriality component of province-building by examining recent energy conflicts between Newfoundland and Labrador and Quebec over the Muskrat Falls hydro infrastructural project.

It is a project that has raised much controversy. How was it possible for such a project to get off the ground in the first place? Given the realities of the shale gas

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<sup>1</sup> Historical institutionalism deals with the unfolding of processes over time, while closely related, path dependency examines the impact of embedded self-reinforcing processes on patterns of decision-making behaviour. Historical context matters and such an approach looks at feedback and sequencing, how processes unfold and shape decision-making. Path dependency raises questions about state actor autonomy and how their actions are influenced by inherited critical moments, or junctures. For further discussion see Carolyn Hughes Tuohy, *Accidental Logics*. (New York: Oxford University Press, 1999). Pg. 6; Gerald W. Boychuk, "Studying Public Policy": Historical Institutionalism and the Comparative Perspective." In *Canadian Journal of Political Science* (December 2016) 743-761.

revolution, technological difficulties involved, high, unpredictable costs, threats posed to ecological health, volatile markets and fiscal crisis generated, it is a topic that has generated much discussion and interest. How were these knowledge gaps ignored or set aside? The major theme that is presented in the paper is that Muskrat Falls was not simply a response to energy needs based on evidence or product of societal pressure, but rather, reflected the dreams, and ambitions of the Danny Williams's government to strengthen the provincial governments control over the provincial territory. But once in place, it was difficult for those who inherited this initiative to reverse direction despite high risks involved and lack of evidence to support the project.

The policy literature offers clear guidance for understanding why knowledge gaps and declining policy capacity has become such a problem for evidence-informed decision-making, knowledge-networks, and institutions everywhere. The rise of a New Public Management (NPM) paradigm that decentralized information sharing, demonized traditional institutions, forums designed for interaction, contestation, sharing evidence have reinforced more competitive executive dominated, silo-based approaches to decision-making.<sup>2</sup> In addition, globalization, intergovernmental agreements which by-pass legislatures, replace legal agreements with political accords have become more and more common but also controversial. While such an approach has proven popular with executive decision-makers as they try to come to grips with interdependent issues, at the same time, such changes have added to the democratic deficit problem. But it has also added to executive capacity and autonomy.

As recognized by Donald Smiley, Canadian federalism operates on three axis and pivots that are constantly changing and interactive. According to Smiley,

“there are three particular and continuing problems of Canadian nationhood, each with a jurisdictional-territorial dimension: (a) the relationship between Canada and the United States; (b) the relation between the English and French Communities of Canada; (c) the relations between the central heartland of Ontario and Quebec and those Canadian regions to the east and west of this heartland.”<sup>3</sup>

Equity and efficiency policy tradeoffs in Canada have been problematic, in part, due to the fact there is no real national economy to motivate a common economic interest.<sup>4</sup> An irony in the process of regionalization is that continental cross-subnational trade connections have reinforced efforts to centralize planning at the provincial level. Since provinces trade more with American states than other

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<sup>2</sup> See Donald Savoie, *Breaking the Bargain: Public Servants, Ministers, and Parliament*. Toronto: University of Toronto, 2003.

<sup>3</sup> D.V. Smiley. *Canada in Question: Federalism in the Seventies*. (Toronto: McGraw-Hill Ryerson) p. 184.

<sup>4</sup> For discussion on Canada's fragmented economy, see T. Courchene and C. Telmer, *From Heartland to North American Region State*. (Toronto: University of Toronto Faculty of Management, 1998).

Canadian provinces, this has added much to battles between country and province-building north of the 49<sup>th</sup> parallel. In such a context, it makes sense to erect energy walls and find other ways to defend the building of association ties in a north-south as opposed to an east-west direction.

It is a new era of Brexit, Trump's America-First approach to knowledge construction and brokering but there is much we can learn from previous patterns of decision-making in Canada, especially when it comes to energy policy. The provincial and other state-building literature (that has declined in the recent decades)<sup>5</sup> provides an opportunity to reexamine the links between populism, building of energy corridors and the autonomy/capacity of the executive branch of the state.

In places like Newfoundland and Labrador there is a growing frustration and resentment with processes that appeared to be designed to constrain public debate and gamble with the future needs of generations based on false or incomplete knowledge or information.<sup>6</sup> This has especially been the case with the Muskrat Fall

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<sup>5</sup> Matt Wilder and Michael Howlett, "Province-building and Canadian Political Science" in *Provinces*, third edition, edited by Christopher Dunn. (Toronto: University of Toronto Press, 2016).

<sup>6</sup> From this perspective, for example, it is remarkable that in the sphere of health policy (in spite of clear evidence that the old disease-based, bio-medical regime is not improving health outcomes) old practices persist and change has been very slow if non-existent. For example, it is interesting to note that in NL that "Choosing Wisely NL," that is a Faculty of Medicine Program in partnership with the Medical Association has been focused on the problem of overuse of prescriptions and various procedures that are actually hurting patients and community health in the province. Hence, the province not only spends more than other provincial jurisdictions on a per capita basis, but the population is suffering from bad decision-making practices.

But rather than identifying and dealing with these problems and resolving them in policy terms, the approach adopted is focused on preserving the status quo. Much of this is connected with the power of the medical profession, but the very idea that there is little need for public policy to deter such behaviour speaks volumes about the problems facing advocates of defending the interests of the public, whether against themselves, or those who feel pressured to do things that may not serve the public interest. There is little question that the public demand for overuse of drugs and other procedures was a product of the old-biomedical regime and its boosters. Turning that around has been complicated despite evidence of bad outcomes. The fact that the doctors have ignored or developed knowledge gaps on patient health outcomes remains a serious issue. In the end, the system facilitated knowledge gaps and reinforced bad decisions. For further discussion, see Stephen G. Tomblin and Jeff Braun Jackson, "Between a Rock and a Hard Place: The Difficulty of Reforming Health Care in Newfoundland and Labrador," in *Paradigm Freeze: Why It Is So Hard to Reform Health-Care Policy in Canada*. Edited by Harvey Lazar, John N. Lavis,

(MF) Hydro project that was sold more as a way for defending the territorial-jurisdictional priorities of the government than meeting the energy needs of citizens. Ironically, in the end, it was the citizens who were on the hook for the costs of a bad gamble.

Comparable to Trump's American first rhetoric, playing the "Quebec card" did prove popular, at the beginning of the campaign, in part, because, by design, there was limited opportunity to contest the merits of the project or the idea of building an energy wall to defend and promote the territorial-jurisdictional powers of Newfoundland and Labrador. The NL-first approach to the framing of the issue dominated the public discourse as opposed to whether the energy project was the most cost effective for meeting the needs and requirements of citizens. From a cultural perspective, there was much incentive to sell a controversial project that had strong appeal among Newfoundland nationalists.<sup>7</sup> As a result, there was clear political incentive in such a context not to break out of old province-centred approaches to defining and resolving energy challenges. Indeed, if anything, there was pressure to build even more executive capacity and autonomy over future energy trends within the province.

The paper draws upon recent research on energy management competition between NL and Quebec over hydro infrastructural development. We will draw upon the experience of MF to make the argument that the physical infrastructural project was more about border maintenance, populism, executive prowess and defensive expansionism than an attempt to address issues of climate change or needs of citizens from an universal evidence-informed policy perspective.

Rather, there is clear evidence that the executive branch went out of its way to constrain and control knowledge construction in a bid to defend and promote its own territorial-jurisdictional interests. Predictably, the outcomes produced from such a risky approach to decision-making have not been positive. As a result, there is a critical need to better understand the conditions that enabled the launching of an energy vision informed more by popular brand of territorial populism than

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Pierre-Gerlier Forest, and John Church. (Montreal & Kingston: McGill-Queen's University Press, 2013) pp. 147-70.

Seen this way, the building of Muskrat Falls was, in part, more likely in the context of the NL cultural landscape. Understanding these patterns of state-society relations and the directions of these causal arrows and the impacts of knowledge construction, gaps, and outcomes remains critical as we return to our discussion of energy governance.

<sup>7</sup> See Valerie Vezina and Karlo Basta, "Nationalism in Newfoundland and Labrador," in *First Among Equals*, edited by Alex Marland and Mathew Kerby. (Montreal & Kingston: McGill-Queen's University Press, 2014). Pp. 67-83.

evidence. These institutional deficiencies need to be addressed and that is the point of the paper.

### **Institutions, Knowledge Gaps, State-Building Below the Radar**

In democracy, the public needs to be proactive, but decisions cannot or should not be based solely on what is popular. Nor should experts influenced by universal trends or theories have the last word. But silence propagates ignorance, even intolerance. Good governance and the “workability” of any federal system depend on creating public spaces, forums, critical to sharing information, perspectives and making it easier to achieve a consensus.<sup>8</sup> To a great extent, not enough attention has been focused on creating or preserving such essential public spaces, knowledge, core competencies that are critical to achieving policy objectives and public confidence. Such institutional deficiencies have helped set the stage for the rise of populism and political division.

It is worth noting that Neil Macdonald, of the National CBC has recently argued that in an era of populist attack, and fake news, there is a growing need to establish regulated standards, competencies for the media comparable to those that exist for legal, medical, and other professions.<sup>9</sup> But whether there is an appetite for addressing these and other institutional deficiencies remains open to question? On the other hand, unless or until these deficiencies are addressed, populist attacks are likely to persist.

For decades, Donald Savoie and other scholars have been researching the trials and tribulations connected with replacing old bargains, more formalized approaches to defining and resolving problems. In “Power: Where Is It?” Savoie reflects upon how New Public Management, gutting the “old bargain,” globalization has created much confusion surrounding issues of accountability, and legitimacy.<sup>10</sup> Savoie offers a number of critical insights on changing patterns of decision-making and the fragmentation of power.<sup>11</sup>

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<sup>8</sup> J.S. Dupre. “Reflections on Workability of Executive Federalism.” In *Intergovernmental Relations*, ed. R. Simeon. Toronto: University of Toronto Press, 1985.

<sup>9</sup> Trust in the media is sinking and it is time to act: Neil Macdonald. February 21, 2017. <http://www.cbc.ca/beta/news/opinion/news-journalism-standards-regulation-neil-macdonald-1.3991443>.

<sup>10</sup> Donald Savoie, *Power: Where Is It?* Montreal/Kingston: McGill-Queen’s University Press, 2010.

<sup>11</sup> Donald Savoie, *Whatever Happened to the Music Teacher?* Kingston: McGill-Queen’s University Press, 2013; *Governing from the Centre*. Toronto: University of Toronto Press, 1999; *Breaking the Bargain: Public Servants, Ministers, and Parliament*. Toronto: University of Toronto, 2003; *Court Government and the Collapse of Accountability in Canada and the United Kingdom*. Toronto: University of Toronto Press, 2008.

Similarly, the Canadian federal literature, especially since the rise of the collaborative federalism model in 1990s,<sup>12</sup> focuses much attention on a new intergovernmental system where bi-lateral political accords have generally replaced more formal, multi-lateral legal agreements based on “rule of law.”<sup>13</sup> As a result, the focus has changed. In the current context, there has been a tendency to ignore “province-building trends,”<sup>14</sup> the role of legislatures, the constitution, and other issues that attracted much more attention and commentary in the past. Yet, one-off reports and bi-lateral approaches to problem definition and resolution have done little to improve policy knowledge or outcomes and these institutional deficiencies need to be understood and addressed through case-study analysis.

Speaking truth to power has never been easy in a highly fragmented, competitive federal system where premiers dominate most aspects of energy decision-making. Unlike governors, premiers not own control the legislature and budgets, but they also enjoy much autonomy, capacity when it comes to the ownership and control over energy resources and their revenues. A major preoccupation of any government is to preserve control over territories, associational activities, within their respective jurisdictions, but these are shaped and influenced by inherited governance structures and processes, political resources, powers and policy legacies.

Understanding the variables and conditions that influence reform decisions, including integrating and finding ways to build new knowledge resources and networks across embedded systems or regimes, has received much attention in past policy debates. Kingdon, for example, discussed the opening of windows, the impact of policy failure, and crisis when it came to agenda setting (problem definition). His framework offers critical insights on the structural and institutional conditions that reinforce new forces of integration.<sup>15</sup> Accordingly, when problem, policy, and political streams become coupled, new windows of opportunities open up and this improves the prospects for defining and resolving interdependent problems across these systems or streams.

Such windows or streams are not automatic and the historical-institutional path-dependency frameworks provide a critical lens for understanding the logic of

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<sup>12</sup> Harvey Lazar, “Non-Constitutional Renewal: Toward a New Equilibrium in the Federation? In *The State of the Federation 1997: No-Constitutional Renewal*, ed. H. Lazar. Kingston: Institute of Intergovernmental Relations, 1997.

<sup>13</sup> Graefe, P., J. Simons and L. White, editors, *Overpromising and Underperforming: Understanding and Evaluating New Intergovernmental Accountability Regimes*. Toronto: University of Toronto Press, 2013.

<sup>14</sup> Matt Wilder and Michael Howlett, “Province-building and Canadian Political Science” in *Provinces*, third edition, edited by Christopher Dunn. Toronto: University of Toronto Press, 2016.

<sup>15</sup> Kingdon, J.W. *Agendas, Alternatives, and Public Policies*. (New York: Harper Collins, 1995).

decision-making systems, the interfacing between institutional and structural forces, patterns of state-society relations within inherited structures or processes that create a logic of their own.<sup>16</sup>

Canada is one of the most decentralized and competitive federal systems in the world. Operating with a highly competitive interstate federal system where province-building has become the norm, there has been a long tradition of defending borders against other territorial-jurisdictional actors and outside forces, whether modernization in the past, or more recently in the case of globalization. Canada is a country that enjoys a high standard of living and good reputation when it comes to human rights, but the country continues to struggle with a competitive brand of regionalism that persists despite efforts to constrain it in various ways.

Canada is a place where national unity has been a huge challenge for generations, and there is much territorial-jurisdiction competition preventing common approaches to defining and resolving problems. Rather, there have been clear limitations and commitment to reinforcing common socio-economic structures across provinces, finding ways to improve cross-border relations and reduce provincial competition over objectives, interests, and institutions.

Opening windows and finding ways to bring different interests together to define and resolve interdependent issues has not been easy. Constitutional battles consumed much attention for decades, and if anything, it hardened relations across provincial administrations that spend much time and energy keeping borders safe and windows closed to outside intruders.

Provincial governments (and premiers in particular) have, as a result of institutional design and practice, acquired much power and resources. These resources and the growth of independent, competitive powerful provincial governments have resulted in the shaping, nurturing, and mobilizing of separate civil societies, patterns of communication, identity, and associational activities within provincial boundaries. Once these priorities and identities are implanted, it is often very difficult for those who inherit these legacies to reinvent and change direction. The sunk costs associated with the building of physical infrastructure, whether walls, pipelines, or those connected with hydropower are difficult to reverse but that is often the intent. Whether it was the building of the railway during Canada's first National Policy, or Ontario's defensive expansionist strategy connected to Ontario Hydro,<sup>17</sup> and controlling development, state-building and defending borders through costly infrastructural investments has a long history in our competitive interstate federal system. There is a clear political logic to such a pattern to decision-making even if it is not good public policy when it comes to the costs paid by citizens.

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<sup>16</sup> Pierson Paul. *Dismantling the Welfare State? Reagan, Thatcher, and the Politics of Retrenchment*. (New York: Cambridge University Press, 1994); Putnam Robert. *Making Democracy Work*. (Princeton: Princeton University Press, 1993).

<sup>17</sup> See H.V. Nelles, *The Politics of Development*. Toronto: MacMillan of Canada, 1974.

One of the great mysteries in Canada for generations has been the persistence of competitive federalism over time - despite various Pan-Canadian initiatives, including the welfare state, a popular medicare system, as well as the rise of Charter rights designed to unite citizens.<sup>18</sup> It is a model for territorial competition and power sharing that is often compared to international systems.<sup>19</sup> Provincial state capacity, autonomy, ownership of energy-natural resources, north-south continental trade, executive domination of most areas of public policy has added much to traditions of state-building, border defense, and silo-based approaches to problem definition and resolution in Canada. In such a context, working across systems on a regional basis has proven very difficult. Nevertheless, regionalization experiments within provincial borders have also posed challenges given the power and influence of the provincial state and the capacity of executive branch to dominant most areas of decision-making.

Canada is by design a competitive Interstate federal system and Intrastate features are weaker than in most other federations.<sup>20</sup> Without an elected Senate at the federal level, or German style expert-focused second chamber, nation-centred approaches to problem definition and resolution have been compromised by legitimacy challenges. This has nurtured competitive interstate, province-centred approaches to decision-making. Operating in a system that combines federalism with a cabinet-parliamentary system, situated within a confederal, as opposed to an integrated party system,<sup>21</sup> the tendency has been to work in executive isolation or through intergovernmental forums that operate between governments, outside the public view, rather than in intrastate structures such as a Senate or German style upper chamber staffed by regional experts.

Provincial autonomy was originally not a big priority and there were limited powers assigned to this branch of government. As time passed, however, conditions changed and provinces gained more influence and power in the context of a “living constitution”<sup>22</sup> that took on a life of its own. Even though the intent of the original British North American Act was to limit the autonomy of the provinces, this centralized federal vision lost momentum early on.

A number of factors shaped these changes. Due to the growth of provincial governments; natural resources they controlled; court challenges that changed

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<sup>18</sup> Alan Cairns, *Constitution, Government, and Society in Canada* (Toronto: McClelland and Stewart, 1988).

<sup>19</sup> Richard Simeon, *Federal-Provincial Diplomacy*. (Toronto: University of Toronto Press, 1972).

<sup>20</sup> Roger Gibbins, *Regionalism: Territorial Politics in Canada and the United States*. (Toronto: Butterworths, 1982).

<sup>21</sup> William Riker, *Federalism: Origin, Operation, Significance*. (Boston: Little, **Brown**, 1964).

<sup>22</sup> Alan C. Cairns. “The Living Constitution,” in *Constitution, Government and Society in Canada*. (Toronto: McClelland and Stewart, 1988).

constitutional interpretations; building of provincial bureaucracies; growth of north-south, rather than east-west patterns of development, decline of national policies, and other trends - the provinces gradually became more and more powerful and autonomous entities. In an era of increasing sub-national autonomy and declining nations, the provinces even became major actors on the international scene. They did so by setting up trade offices in both the United States as well as Europe.

For decades, provinces have been competing for market access both on the continent, and around the world. This was not the original intent of the constitution, quite the contrary; the system of territorial pluralism that has emerged has been the product of incremental change. Change by design is never easy.

Canada's system of provincial autonomy, independence fueled (reinforced) by ownership control over natural-energy resources and significant spending power (including unconditional equalization payments for have-not provinces) have all together provided an unusual model of federalism and territorial-pluralism. In a number of ways, the Canadian model offers a unique counter-perspective for a more nation focused, functional, integrationist approaches to decision-making and community building. It is a model that is more fluid, accommodationist.

The territorial component of state building, that has become a salient issue for Brexit and President Trump's America-first vision, has existed in Canada for decades, even though that was not the original intent of the architects. In fact, initially, Canada was launched as a very weak, even quasi-federal system.<sup>23</sup> Seen this way, from a historical-institutional perspective, early on in Canadian history provincial governments and especially the executive branch found ways to build new pathways. These proved critical for expanding provincial state capacity and autonomy.

Along the way, the combination of a cabinet-parliamentary system, tradition of strong executive leadership, first-past-the-post system of election, divided and ambiguous jurisdictions, inadequate representation at the centre, a confederal party system and administrative form of provincial entrepreneurialism were pivotal elements in the struggle to transform socio-economic conditions, strengthen provincial identities, seize control over development patterns, but also defend borders against outside territorial influences. Premiers learned quickly that the preservation and control over territory and provincial identities required that power and capacity be exploited at the executive level.

Strategies for building enduring territorial alliances (which may not have made sense from a strict policy perspective) were nevertheless politically logical in the carefully crafted territorial-jurisdictional game that gradually emerged in Canada. By design, aligning problems, policy, and political streams together across

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<sup>23</sup> K.C. Wheare. Federal Government. 3<sup>rd</sup> edition. (London: Oxford University Press, 1953).

competitive systems of territorial autonomy became more and more difficult. Public policy involves a choice and knowledge/implementation gaps are often deliberate.

The combination of strong statist traditions in Canada and executive dominance at the provincial level is not only the product of a complex, interdependent system but also a system with a number of built in territorial-jurisdictional conflicts and disagreements. There is little doubt that Canadian federalism has become more complicated and competitive over time.

In Canada, province-building has been closely associated with the building of energy walls and making sure the public was kept in the dark. As illustrated by the history of former B.C. Premier W.A.C. Bennett, a populist premier who was highly critical of traditional academic, economic and political elites, he went out of his way to seize control over most areas of physical infrastructural development (including hydro) and defended the provincial border against outside territorial actors.<sup>24</sup> While the costs were very high, the populist premier inherited but also built new governance structures and political processes designed to control public information. Even Hansard was not allowed during his reign and legislative sessions were kept short to ensure that elites did not interfere with the people's champion. Bennett's populist narrative kept him in power for a period of twenty years (1952-72) and he enjoyed much autonomy and capacity when it came to setting priorities. It may have been good politics, but it was not good public policy. Yet that mattered little in a political system designed to restrict contestation and limit policy analysis, both within and outside government. Once the infrastructure was built, communities settled, associational patterns entrenched, province-building became impossible to reverse.

Whether in B.C., Ontario, Manitoba, Quebec, or Newfoundland and Labrador, there have been tendencies at the executive level to build energy infrastructure north-south based on a strategy of defensive expansionism. Such actions have been more politically motivated than driven by policy calculations. In fact, there are clear economic costs and policy inefficiencies associated with such efforts to constrain patterns of integration. But all the same, these kinds of actions are more connected to issues of state autonomy, internal self-reliance than addressing common, interdependent issues or problems. This kind of ambiguity between political and policy informed decision-making has produced inefficiencies, high costs, but also political strategies (as discussed above) to restrict information and contestation. All of this is connected with the capacity and autonomy of the executive branch of government.

## **Legacy of Muskrat Falls Hydro Project**

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<sup>24</sup> For more information, see Stephen Tomblin, *Ottawa and the Outer Provinces*. Toronto: James Lorimer and Company, 1995.

The launching of the Muskrat Falls project in November 2010 that was aggressively pushed by then Premier Danny Williams as an instrument for sending a message to Quebec, gaining more control over hydro development was more a reflection of political ambition than result of well informed public policy. From this perspective, Muskrat Falls offers a critical case-study on the institutional conditions that led to the building of physical infrastructure that was more about strengthening the provincial governments control over the provincial territory than the result of well informed policy decision-making. In this regard, it is important to acknowledge and recognize the institutional deficiencies, contextual conditions that made it possible for a premier operating within the executive branch to ignore knowledge gaps, market conditions, costs, health risks, or even whether the energy was even needed in the first place. Policy is a choice informed by evidence, but Muskrat Falls was more about a territorial brand of politics, provincial state autonomy/capacity than it was about gathering, contesting evidence with the goal of providing the most reliable and cost-effective source of energy for citizens.

The Muskrat Falls initiative was a political response to bad memories associated with the inherited 1969 Churchill Falls contract.<sup>25</sup> The hydro project was designed to make the province less dependent on Quebec for energy transmission to other jurisdictions, especially the United States and the Maritimes. Questions of costs were secondary as were issues of environmental outcomes, technical capacity, rules and regulations in other jurisdictions, energy needs, and so on. From the premier's perspective it was a gamble but a worthy one given the history of the Churchill Fall contract, a contract that made the province money, but also saw billions in profit flowing into Quebec. Gaining access to energy markets through Quebec was considered a non-starter and despite the rapid rise of shale production in the U. S.; legal questions about water flow in Labrador, issues of costs, energy needs, and a variety of other salient issues, the premier persisted on defending and promoting the hydro initiative.

Within Canada, boundary disputes, whether the ongoing Labrador Boundary controversy between Newfoundland and Quebec;<sup>26</sup> British Columbia's history of infrastructural development designed to defend the border; <sup>27</sup>or various other provincial state campaigns clearly illustrate a persistent pattern of border defense that have created big price tags for citizens, but also economic inefficiencies. In

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<sup>25</sup> See James Feehan, "Connecting to the North American Grid: Time for Newfoundland to Discontinue Inefficient Price Regulation," in *Canadian Public Policy*, December 2016, p. 484.

<sup>26</sup> Raymond B. Blake. *Lions Or Jellyfish*. Chapter 2. (Toronto: University of Toronto Press, 2015).

<sup>27</sup> Stephen Tomblin. *Ottawa and the Outer Provinces*. (Toronto: Lorimer, 1995).

Canada, health and energy policy have often been more about entitlement than coming up with the best way to define and resolve problems for citizens.<sup>28</sup>

The Labrador boundary dispute that goes back as far as 1927, has never been effectively resolved - nor has Quebec ever accepted the British Court decision that (at the time) favored Newfoundland. As a result, in contemporary Quebec, Labrador is considered part of its larger territory domain. In such a historical context, energy policy became a means for affecting spatial patterns of transformation, defending borders, rather than a tool for defining and resolving energy problems.

For generations, such a zero sum conflict fought between these two provinces over power contracts has focused more on territorial-jurisdictional needs of the competing provincial states than the energy needs of citizens. All of this has severely compromised energy governance between the two provinces and the country for generations. Viewed this way, a major factor which has contributed significantly to the ever-increasing role of provincial state autonomy and capacity in Canadian federalism lies within the political system itself and is connected to inherited boundary disputes and associated institutional pathways.

Back in the 1960s, Quebec refused to allow Newfoundland the right to transport its hydropower over its territory, a situation and opportunity that was fully exploited by the Quebec government to win back concessions over what was considered at the time its lost territory. At the time, Ottawa refused to intervene for political reasons, even though it had the power to do so and had reacted differently in similar disputes in other provinces. Ignoring that fact, the Pearson government decided it did not want to stir up a hornet's nest at a time of the Quiet Revolution in Quebec and much federal instability. The provinces were forced to sort out themselves.

In light of that fact, and Ottawa's refusal to follow through, the Newfoundland government had little option but to enter into a long-term contract that brought huge profits to Quebec at the expense of NL. That contract remains in play until 2041 and has proven to be very unpopular in NL for obvious reasons.<sup>29</sup>

Not surprisingly, this did little for national unity or calls for effective, evidence-informed policy decision-making across the country thereafter, particularly in the energy sector. In Quebec, NL, and other provinces, energy resources became pivotal political instruments for the defense of borders and communities in a new chess game. Predictably, much time and effort has gone into finding ways to keep windows tight and defend borders, and prevent future give-a ways.

The Muskrat Falls project in Newfoundland and Labrador sheds much critical light on the dangers of granting too much autonomy and capacity to the defenders of territorial autonomy. The physical infrastructural project that is now considered a

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<sup>28</sup> For a discussion on the myths and realities of Medicare in Canada see Paradigm Freeze.

<sup>29</sup> Raymond B. Blake. Lions and Jellyfish, Chapter 2.

“boondoggle” by most people in the province, including Stan Marshal, who took over as the CEO for the public energy crown agency responsible for building the infrastructure, <sup>30</sup> is a further testament to the importance of territoriality in NL province-building traditions.

From the start, the project was designed more for the purposes of defending the border against Quebec and mobilizing NL nationalist support for a popular populist premier, than a means to solving energy problems and resolving them in the public interest. It was always a risky economic project. Despite all of this, the energy idea proceeded because territorial autonomy considerations remained front and centre. In the end, the various premiers who boosted the questionable energy vision got their way by restricting citizen engagement, contestation, and knowledge construction.

As a result of these very limited public space opportunities to identify and address clear knowledge gaps, the questionable Muskrat Falls hydro project was pushed onward by the executive branch. Despite much outside criticism, there was no way to prevent or avoid a policy failure and subsequent political crisis.

There is little question that this reckless, isolated territorial pattern of decision-making was a bad idea, and precipitated a major fiscal crisis.<sup>31</sup> On the other hand, hydro controversy and province-building have been the norm in Canadian federalism. Territorial autonomy may bring benefits and high fences, but it also brings economic risks plus costs for citizens who are forced to be only spectators. None of this is really new or surprising.

Back in 2002, Liberal Premier Roger Grimes had a deal with Quebec Hydro that would have seen the development of Gull Island (a much bigger project) with transmission through Quebec but time ran out. With strong criticism from Opposition leader Danny Williams about making a deal with Quebec, the project, which would not have cost the province anything with respect to the building of infrastructure, fell off the table. At the time, Grimes said there was little need for generating new sources of power for the island.<sup>32</sup> But such an integrated approach to defining and resolving interdependent energy issues proved to be controversial and a non-starter, despite the merits for both sides.

“On a slogan of “no more giveaways,” Williams won an unprecedented 70 percent of the popular vote in the 2007 election, which gave him 44 seats, compared with 3 for

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<sup>30</sup> “Its official: Muskrat Falls a boondoggle, stays Stan Marshal.”

<http://www.cbc.ca/news/canada/newfoundland-labrador/stan-marshall-muskrat-falls-update-1.3649540>.

<sup>31</sup> Stephen Tomblin and Charles Colgan. “Myth and Reality in Eastern Canada and North-Eastern Regionalism” in Canadian-American Public Policy. 2014.

<sup>32</sup> See CBC NL, “Muskrat Falls ‘Danny’s biggest mistake,’ says Roger Grimes.”

<http://www.cbc.ca/news/canada/newfoundland-labrador-/roger-grimes-danny-williams-muskrat-falls-cost-1.3941494>. January 19, 2017.

the Liberals and 1 for the NDP.”<sup>33</sup> The intent to defend the province against Quebec on the Hydro file, Big Oil on the offshore and the Harper government on the fiscal federal front - which was all good politics – did add much to the premier’s soaring popularity.

Despite the popularity of the new vision, there were a variety of challenges standing in the way of successful implementation. But rather than dealing with these in public spaces, there emerged a populist strategy of disconnecting with civil society, and restricting contestation, information flow, and public oversight. While the ball started rolling under Danny Williams, this strategy continued under those who came after, whether Kathy Dunderdale, Paul Davis, or current premier, Dwight Ball.

Comparable to other examples of province-building (B.C. premier Wacky Bennett discussed earlier) the critical piece in all of this was building the physical infrastructure quickly and finding ways to monopolize most areas of decision-making. In addition, the executive branch carefully controlled knowledge construction and public information. Sunk costs and public support inherited by future premiers made it difficult, if not impossible to change direction - even after critical problems emerged later on. In this arrangement, any knowledge gaps raised by critics (who by design operated outside the system) lacked power necessary to make a difference. From the start, the game was rigged for both citizens and future premiers.

In the NL energy game, the major actors include Newfoundland Labrador Hydro (NL Hydro), which is a public utility responsible for generation capacity, and transmission. Newfoundland Power (NP) is also an electric public utility and distributes power in areas not served by NL Hydro, including Labrador where NP does not exist. These utilities fall under the auspices of the Public Utilities Board (PUB).

Muskrat Falls was a joint project involving a partnership between Nalcor Energy and Emera Inc. Nalcor is a NL provincial crown agency that owns both NL Hydro and Muskrat Falls Corporation. Emera, on the other hand, is a private utility located in Nova Scotia.

On a number of fronts, integration, working collaboratively across energy systems, sharing information with the public, framing issues based on evidence (merit) did not really occur when it came to the Muskrat Falls initiative or energy planning generally. Whether dealing with Quebec, the Maritimes, the Northeast states, or even Ottawa, silo-based, executive problem definition and resolution continued on track as did bi-lateral approaches. Playing for different audiences, parochial attitudes, the popularity of the populist style of leadership made it difficult transforming decision-making patterns going forward. Despite much controversy

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<sup>33</sup> Rand Dyck, “ Political Developments in the Provinces, 2005-2015,” in Chris Dunn, Editor, *Provinces: Canadian Provincial Politics*, third edition. Toronto: University of Toronto Press, 2016. P. 47.

early on and discussion by critics regarding the feasibility-desirability of the MF project there was little response. Nor did concerns raised with respect to various built-in institutional deficiencies that stymied public debate. The status quo survived intact despite clear problems. The key was moving ahead, building the project before it could be stopped and the processes and mechanisms relied upon facilitated such action.

None of this is really surprising in the context of province-building. Provincial state autonomy has frequently trumped evidence informed patterns of energy decision-making. By stifling debate, protecting, insulating NALCOR and ensuring Muskrat Falls monopoly over energy production was well defended, pushing on with the building of the physical infrastructure, establishing sunk costs that made it difficult to abandon it later on, were all crucial to the implanting of the new energy vision. But so was the continued support of Danny Williams, even when out of office, and the Board of Trade events he took full advantage of to sell his vision against critics.<sup>34</sup>

Not surprisingly, as a result of these recent events, there has emerged a growing sense of urgency in Newfoundland and Labrador about the need to develop new policies and decision-making procedures. Current premier Dwight Ball is dealing with both a fiscal crisis and policy failure connected with a project that is not only delayed but will likely end up costing citizens 11.4 billion dollars, and perhaps even more. In light of these developments, various critics and policy-informed networks have emerged with many of these calling for a closer examination of what led to these kinds of reckless decisions in the first place and whether it makes sense for the executive branch (which may be the source of the problem) be left in charge of fixing things?

Public policy involves a choice and knowledge and implementation gaps are influenced by power and hence are often deliberate. Hence, a critical question for energy policy is how knowledge mechanisms are organized and designed. When formal rules change, so do patterns of discourse and knowledge construction. Regulations, and the rise of scientific discourses naturally complicate political decision-making and make them more technical. Issues tend to not be framed based on citizens need rather than more province-centred narratives.

Power is reflected in formal organizations and regulations. These embedded decision-making structures reflect power relationships within civil society, but also within the state. To a great extent, executive state actors in NL were in a position to avoid integrating when it came to Muskrat Falls and that was not only bad for the public but was also bad public policy. That level of control over knowledge brokering and construction has not changed despite these many missteps and miscalculations.

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<sup>34</sup> CBC, Here and Now. January 19, 2017. Danny Williams defends Muskrat Falls and criticizes Stan Marshal. <http://www.cbc.ca/player/858461251758>.

From the beginning of the launch, there was clear evidence of executive political action that was clearly designed to deflect outside contestation and policy informed debates. For example, early on, both the joint federal-provincial Environmental Assessment Panel<sup>35</sup> and Public Utilities Board<sup>36</sup> cried out that there was insufficient information for properly evaluating the merits of the project. They appeared not to be convinced that MF was the right choice for citizens. Despite this, the Government of Canada, in a political move that Kathy Dunderdale relied upon in her campaign for re-election (which she won) provided a loan guarantee. The federal move to offer this kind of financial assistance to both NL and Emera, did reduce the cost of the project, but whether that was a good thing is open to debate.

The Muskrat Falls initiative links the Upper Churchill (currently transmitted to Quebec until 2041) to the Lower Churchill (Muskrat Fall/Gull Island). In addition, the project connects Labrador to the island, the Maritimes, and down through to New England as a result of the Maritime link and access to Emera's transmission capacity.

Political competition, pride, and seeking justice for past decisions is normally not the best way for making sound policy decisions. But these are critical to the politics of Canadian federalism. Contained in province-centred structures and processes that create their own logic, premiers respond in predictable ways, by defending their territorial-jurisdictional interests.

Throughout the battle over Muskrat Falls, the big guns connected to executive power were fully exploited to make sure the project became a new reality. For example, alternative sources of energy were inhibited by a lack of metering policy. In addition, legislation was passed that outlawed small generators that threatened the monopoly of NL Hydro. Adding further to the monopoly, the new law restricted power coming into the province. Remarkably, the executive decided to undermine consumer choice, but also interprovincial trade. According to Jim Feehan, "the legislation is completely at odds with allowing electricity buyers and sellers, from within and outside the island, access to island's transmission system under OATT arrangement. While FERC is focused on fostering competition in US wholesale markets, the utter rejection of both open-access principle and notion of wholesale market competition by the NL government will make selling into the U.S. difficult if

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<sup>35</sup> Joint Review Panel. 2011. *Report of the Joint Review Panel: Lower Churchill Hydroelectric Generation Project*. Ottawa: Canadian Environmental Assessment Agency and Department of Environment of the Government of Newfoundland and Labrador.

<sup>36</sup> Newfoundland and Labrador Board of Commissions of Public Utilities (PUB). 2012. *Review of Two Generation Expansion Options for the Least-Cost Supply of Power to Island Interconnected Customers for the Period 2011-2067*. St. John's: Author.

not possible.”<sup>37</sup> It was an approach to decision-making that was dominated by the executive branch and very isolated from the public and policy debate.

In the Maritime province, there were a different set of processes and mechanisms involved since Emera is a private company and, by design, there was more transparency built into the regulatory system. In the 1990s, fiscal pressure resulted in the privatization of the Nova Scotia Power utility, something Clyde Wells tried with NF Hydro, but was constrained by a campaign launched by Newfoundland nationalists. Emera is a corporation that owns Nova Scotia Power, as well as utilities in Maine. Emera assists in funding of the MF project and is responsible for building the interconnection between NL and Cape Breton. The agreement provides Nalcor a pathway to export power while giving a smaller percentage (20%) to Emera.

In Nova Scotia, ironically, more open regulatory requirements, facilitated a public debate, which ultimately led to the mobilization of public pressure for a better deal for citizens. The issue was approached differently in NS where discussions were more transparent, evidence informed, but in addition, the citizens were never on the hook for any mistakes or costs incurred for the project. The underwater energy link is being built by Nova Scotia Power Link Inc., an entity launched by Emera. The project falls under the auspices of the Nova Scotia Utility and Review Board (UARB), which has been very public and evidence-informed.

The partnership is based on an original agreement where in compensation for building the link, Emera, or its affiliate is to receive 20 percent of the power that must be used for energy consumption in NS. According to the agreement, the infrastructure built is to become the property of Nalcor in 35 years. Side agreements gave Nalcor access to deliver power to Maine.

As a result of public meetings and focus on the project at regulatory proceedings, a number of critical issues were addressed and resolved in a way that ensured the province of Nova Scotia was a big winner in the energy partnership.<sup>38</sup> The key was engaging the public and facilitating a well-informed debate. This partnership, in the end, gives NS a minimum of 45% of the power generated until 2041, and extra power purchased will be a competitive wholesale one. Hence, whatever the cost of energy generation, it will be the NL ratepayers that are, in the end, responsible for cost over-runs and any power sold to NS customers will be compensated by NL ratepayers. The costs of state building and defending the territorial imperative are very costly.

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<sup>37</sup> James Feehan, PhD, “Electricity Market Integration: Newfoundland Chooses Monopoly and Protectionism.” Atlantic Institute of Market Studies: Commentary. November 2013.

<sup>38</sup> See James Feehan, “Connecting to the North American Grid: Time for Newfoundland to Discontinue Inefficient Price Regulation,” in *Canadian Public Policy*, December 2016, p. 484.

The regulatory and public knowledge mechanisms in NL operated very differently when it came to energy management and governance surrounding the MF project. To a great extent, Nalcor by-passed normal regulatory processes and procedures and was granted a great deal of autonomy and capacity outside the public view. In this sense, it has been more a creature designed to defend the provincial state, and the executive branch, than the needs of the general public.

In December 2012, new legislation was passed that weakened even eliminated PUB oversight over the activities of Nalcor when it came to MF, and this came after the board raised concerns over costs and benefits of the risky project.<sup>39</sup> The PUB had refused to endorse the controversial project, stating there was insufficient evidence. At the time, Danny Williams energy legacy remained popular with the public and Natural Resources Minister Jerome Kennedy, and Premier Dunderdale were determined to do whatever they could to ram through legislation and remove their provincial crown agency from public view.

At the time, there was strong opposition from both the Liberal and NDP opposition, who raised concerns about only having a few hours to contest. Backed by a majority and public opinion, the government under the leadership of Premier Dunderdale ignored calls for more reflection. The premier called NDP Leaders Lorraine Michael suggestion that the rushed debate represented “an affront to democracy and abuse of the people’s house,” “hog wash.”<sup>40</sup> At this critical junction the needs and political priorities of the executive branch took clear priority over the policy needs of the community.

### **Knowledge Gaps, Executive Power, and Outcomes for Public Good?**

Public policy debates and discussions tend to be dominated by political decision-makers who represent the public, but increasingly over time, whether these needs are being well served by the way knowledge mechanisms are organized and designed has become a crucial question. Certainly this is not only a question being asked in NL, as evidenced by challenges associated with the democratic deficit, the rise of populist movements around the world. But populist forms of leadership encased in old institutions and processes bring even more challenges for those concerned about the public and making the right choices.

Knowledge gaps exist regarding how to avoid political competition and encourage cooperation across competing silos. We live in a highly competitive federal system and continent. Heated debates over the merits of different forms of energy production have made it difficult to find ways to work together, share knowledge, respect differences, bring in civil society, and promote social-policy learning. Policy capacity does not just concern state actors; it also depends on civil society. But to

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<sup>39</sup> See CBC News. Posted December 18, 2012. *New Laws Ensure Muskrat Viability, Nalcor Power Monopoly*. <http://www.cbc.ca/news/canada/newfoundland-labrador/new-laws-ensure-muskrat-viability-nalcor-power-monopoly-1.1247258>.

<sup>40</sup> Ibid.

engage, encourage the building of overall knowledge and capacity, there is first a need to recognize barriers to new forms of interfacing, and the extent to which executive-dominated border defense, efforts to constrain integrated open public spaces is counter-productive to the public interest and good public policy. That is certainly been the key take-away from MF. In order to move from an era of “government” or political decision-making to “good governance” we need to recognize the pitfalls associated with embedded silo-based, bi-lateral systems that remain powerful and cannot be underestimated. Even those who inherit these structures and processes quickly learn about the power of the status quo and how difficult it is to bring about change, despite challenges of growing interdependence. We must take advantage of the lessons of MF, the political crisis that has resulted from policy failure and a style of populist leadership that created the policy failure to begin with.

But before we do that, we need to acknowledge and recognize the problems connected with executive dominated silo-based systems where citizens are simply spectators but must still pay the costs of province-building. In this report, we have set out to examine and highlight some of the knowledge gaps associated with how knowledge mechanisms are organized and designed in NL. For the most part, it is a bi-lateral system that is executive dominated, and more focused on territorial-jurisdictional issues than framing issues based evidence, or facilitating contestation, engagement of citizens. From our discussions with state, and various civil society actors, several themes emerged from these discussions on knowledge gaps associated with energy planning in NL:

1. **Weak Pan-Canadian-U.S. Institutions:** Integration pathways are more myth than reality as evidenced by early efforts on the part of the Trudeau government to meet with all the premiers on a multi-lateral basis. As evidenced by recent political struggles over the health accord, bi-lateral negotiations remain key. The tendency has been to rely upon weaker, informal structures at the executive level outside the public view, and incapable of sharing data, information. These structures and approaches to knowledge construction and implementation have inhibited cross-border learning that has resulted in political miscalculations, mistakes, and counter-productive competition. In the case of MF, the inability or refusal to see the impacts of shale, and political economy changes associated with that techno-revolution is remarkable. So too is the fact the NL government passed legislation that contravened the reciprocity rules enforced by the Federal Energy Regulatory Commission.<sup>41</sup> Another example of misguided judgment is connected to the idea of selling of hydropower to American states, when, in reality, many of these states did not consider hydro green energy at the time. Finally, the Quebec court challenge on water rights provides yet another

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<sup>41</sup> See James Feehan, “Electricity Market Integration: Newfoundland Chooses Monopoly and Protectionism,” *Atlantic Institute of Market Studies: Commentary*. November 2013.

example of blind spots. Assumptions about water available for diversion by Nalcor have been contested by Hydro Quebec in their Supreme Court.<sup>42</sup> If these assumptions do not pan out, there will be huge supply problems for the MF project and these should have been calculated at the beginning of the conversation.

2. **Weak municipal, civil society capacity and knowledge:** Many communities and citizens lack the knowledge resources, capacity, technical expertise, political will, and resources required to contest power, share knowledge, and promote social learning within provincial boundaries. Nor are these things encouraged at the top. For example, the idea of developing and advancing other alternative sources of energy that might have been beneficial to NL communities have been stymied by the monopoly enjoyed by government over the electric grid, and refusal to advance a “metering” system that would encourage such adaptive behaviour. But since such a diverse approach to energy management would have competed with MF power and the goal of state-building, it was resisted and the monopoly continued for a long time.<sup>43</sup> That may be now changing but action is very slow. On another front, questions about aboriginal health highlighted by Harvard University and Trevor Bell (Memorial University) provides another example of the need for increased civil society capacity.<sup>44</sup> Authorities did not deal with the health risks for first-nation communities associated with hydro development. All of this eventually spawned a social protest. Finally, questions about the stability problems at the North Spur have sparked much debate within the community, and much frustration with the lack of research or discussion on the topic at the government level.
3. **Issue of legitimacy and democratic deficit:** Disconnect, lack of public space, resources for knowledge construction, all of this has fed cynicism, distrust in government, experts, public institutions.
4. **Declining role of Knowledge networks:** persistence of bilateral, one-off reports approaches to problem definition and resolution (sustained and propped up by intergovernmental structures and processes) have inhibited cross-border connections, sharing of data, contextual experiences, challenges between legislatures, interest groups, and citizens. The gutting of public institutions essential to sustaining legitimate, science-based knowledge construction and brokering makes working across systems very difficult.
5. **Market Volatility:** As reflected in the techno-revolution associated with shale and other rapidly changing energy systems, there is increasing risks in building expensive infrastructure or even high priced regulatory frameworks

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<sup>42</sup> Churchill Falls: Nalcor Loses Another Case Against Hydro Quebec. August 10, 2016. VOXM News. [vocom.com/news/Churchill-falls-nalcor-loses-another-case-against-hydro-quebec/](http://vocom.com/news/Churchill-falls-nalcor-loses-another-case-against-hydro-quebec/)

<sup>43</sup> Ibid.

<sup>44</sup> CBC News. “Positive Response: Clearing order step in right direction, says Muskrat Falls study author.” <http://www.cbc.ca/news/canada/newfoundland-labrador/muskrat-falls-clearing-methylmercury-bell-1.3813349>.

- that require constructing knowledge, constantly evaluating prices and outcomes. These can change very rapidly and pose risks for public investments and energy frameworks.
6. **Super-Partisanship and Competitive State Building** : whether in Canada, Europe, or North America, there is a growing tendency to compete, work at cross-purposes and not seek more balanced middle ground.
  7. **Lack of federal leadership**: Government of Canada has been seen as being gun-shy, reluctant to interfere, or create public spaces essential to bringing different interests together and creating common perspectives.
  8. **Rise of Social Media, increasing hostility and division**: Agenda-setting has become far more competitive and political.

## Conclusion

This article explored the myths and realities of energy governance and decision-making in an era when populism, border defense, building walls, defending sovereignty has become an increasing popular idea. Much of the focus was on the lessons of Muskrat Falls, and the paper sheds light on the risks of insular, executive dominated political decision-making influenced more by short-term territorial-jurisdictional aspirations than the needs of citizens and the public good. But understanding these obstacles is not applicable to NL alone, since patterns of province-centred state building, state-society relations that undermine effective integration (good governance) reflect deeply embedded federal, national, and continental governance structures and processes.

Despite past calls for effective integration, finding less political ways to defining and resolving common problems, there does not appear to be much evidence of commitment to providing settings critical for bringing different interests together in order to address mutual problems and manage interdependencies. In fact, if anything, the tendency has been to react to challenges of interdependence by defending old pathways, expanding executive authority over development trends, strengthening existing state-society relations, and constraining the construction of new cleavages and different kinds of knowledge flow across communities and borders.

Indeed, one-off reports, shutting out the public, limiting information, stifling or dominating legislative debates, have all worked against calls for more effective integration, and good governance. There has not been much appetite for building the kind of spaces critical to institutionalizing collaboration. Nor has there been much in way of investment in building policy capacity and knowledge networks critical to informed evidence-based decisions across systems. Rather, more resources are invested in defending territorial sovereignty or legitimizing questionable actions connected to executive authority. From this perspective, it is quite remarkable that the NL government has not put more effort into being well informed on market, regulatory, infrastructural challenges in the United States, Quebec, or even the Maritimes. On the other hand, states and provinces in the

Northeast have for the most part operated in their own energy silos also and that has not been conducive to defining and resolving common interdependent issues together and avoiding costly competition where everyone, especially citizens lose.

In an era of globalization, political executive authority and loyalty remain territorially bound, and despite increasing pressures to manage interdependent issues and all kinds of transborder flow challenges (such as refugees, climate change) these forces have not yet destroyed old borders, whether national, or sub-national. In the past, modernization was resisted in Canada through province-building, and it appears more current threats to sovereignty coming from globalization are similarly being addressed by embedded territorial systems of political authority in both democratic and authoritarian frameworks that continue to operate at the national, and sub-national level. New forms of transborder interaction and interfacing remain undeveloped and weak, in part, because the executive actors responsible for effecting change play for different audiences and have little incentive to give up or sacrifice their power and control over information flow. For sure, institutions and governance traditions determine patterns of behaviour and which interests and ideas are involved in defining and resolving problems. Choosing not to work with Quebec, or Mexico (in the case of President Trump) is determined by inherited patterns of territorial and executive authority.

Even though there are clear cost inefficiencies and bad decisions associated with defending borders and information flow (as was the case with MF) there has been a strong tradition in Canadian federalism of this kind of resistance at the sub-national level. It appears that integration is not inevitable - nor is transforming energy systems together based on evidence, the public good - if executive state actors remain powerful, resist losing control over knowledge construction, brokering and patterns of energy-environmental restructuring.

Once democratic and executive authoritarian systems are in play, even when circumstances and problems change, it cannot be assumed that change, integration, is inevitable. Neither can we assume this is in the best interest of the public. Whether collaboration, integration, effective knowledge construction, brokering occurs ultimately depends on internal conditions, institutional configurations, incentives for changing behaviour.

For the most part, the lessons of MF are connected with the power and capacity of the executive branch and the way the political game is organized. Political organization continues to be based on territorial divisions and policy legacies, cultural pressures, and past decisions shape patterns of decision-making as well as outcomes. Unless, or until these institutional-contextual realities are acknowledged and addressed, energy plans and visions will continue to be more a political instrument for defending borders and sovereignty than a way to address common problems. In the meantime, the needs of citizens and the planet will remain secondary in a world where the tensions between complex interdependencies and territorial fragmentation are resolved in isolation and competition, rather than in public spaces designed for evidenced informed collaboration.