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Canada and Alberta advance proposed West Coast oil pipeline through implementation agreement

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On May 15, 2026, the Prime Minister of Canada and the Premier of Alberta announced an implementation agreement (Agreement) intended to advance certain commitments under the Canada-Alberta Memorandum of Understanding (MOU) announced in November 2025 and discussed in our December 5, 2025, Update, "Canada and Alberta sign MOU that rolls back risk in Canadian energy and commits to broad new energy accord," including commitments relating to the proposed West Coast oil pipeline intended to transport Alberta bitumen to Asian markets (the West Coast Pipeline).

The Agreement represents one of the clearest indications to date of how governments may seek to use the *Building Canada Act* (BCA) and the Major Projects Office (MPO) framework to coordinate and streamline nationally significant infrastructure projects. In particular, the Agreement establishes several proposed milestones for advancement of the West Coast Pipeline, including:

- Alberta submitting an application to the MPO by July 1, 2026
- the federal government seeking to designate the pipeline as a "national interest project" under the BCA by October 1, 2026
- the federal government using best efforts to issue a conditions document under the BCA (comprising the primary regulatory approval for the project) by September 1, 2027, subject to completion of applicable Indigenous consultation obligations.

The Agreement states that construction of the proposed pipeline and the Pathways Project (a multi-billion dollar carbon capture and sequestration project) are "mutually dependent", reflecting a broader strategy of linking expanded export capacity for Alberta bitumen with emissions reductions (what Premier Danielle Smith calls a "grand bargain"). Following execution of the Agreement, the Alberta and federal governments will work with the companies involved in the Pathways Project to negotiate an MOU that will facilitate that project's advancement. Timely completion of such MOU appears to be critical to achieving the timelines for the West Coast Pipeline, which will require the major oil sands producers to agree with the "grand bargain" struck between the Alberta and federal governments (something the producers have not unanimously embraced to date).

The Agreement also contemplates Indigenous economic participation opportunities in the West Coast Pipeline and related infrastructure projects, including through ownership and partnership structures, consistent with the MOU's emphasis on the advancement of economic opportunities for Indigenous communities alongside project development.

The Agreement addresses several additional matters under the broader MOU framework, including industrial carbon pricing and emissions reduction initiatives, which are discussed in our May 25, 2026 Update: "Future of Canada's carbon markets anchored by Canada-Alberta MOU implementation agreement".

Although interprovincial pipelines fall within federal jurisdiction, the West Coast Pipeline will require substantial alignment and coordination with British Columbia, including in relation to provincial environmental assessment processes, Indigenous consultation, ancillary provincial permits, and coastal export infrastructure. Absent such alignment, the West Coast Pipeline may face challenges relating to project timelines and permitting coordination, among others. While British Columbia is not a signatory to either the MOU or the Agreement, the Agreement states that Canada and Alberta will continue engaging with British Columbia regarding the project.

Overall, the Agreement reflects an unprecedented degree of early political and regulatory alignment between the federal and Alberta governments for a major oil pipeline before a project proponent or proposed route have even been identified. In our view, this level of political support was crucial for any new oil pipeline to the West Coast to succeed, and the Agreement offers real promise that this project may come to fruition. That said, key regulatory, political and commercial issues remain unresolved, including Indigenous consultation, alignment with British Columbia, private-sector participation, and the interaction between the BCA and existing federal regulatory frameworks. Further progress on these issues in the coming months will be essential for the project to advance from a political aspiration to a viable commercial undertaking.