

A Liquefied Natural Gas Plant: A Priority Project for Quebec

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FEBRUARY 2026



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The global demand for natural gas should remain strong in the coming decades. Indeed, it is expected to grow 30% by 2050, according to the International Energy Agency’s current policies scenario.¹ There is also a looming reconfiguration of gas supplies, notably in Europe. This represents a business opportunity for Quebec, which could position itself favourably as a liquefied natural gas supplier to the Old Continent, given its geographic proximity. For this to happen, however, the province will need to adopt a different vision of energy.

SUPPLYING NATURAL GAS TO EUROPE

European natural gas supplies are currently undergoing substantial change, and this is likely to continue. In 2024, Norway supplied 33% of the European Union’s natural gas imports, up from 24% in 2021.² The share of Norwegian natural gas in Europe’s imports could grow further with the ban on Russian gas imports, which starts to come into effect in 2026.³

However, the country’s hydrocarbon—and therefore natural gas—production should diminish sharply as of 2030 (see Figure 1).



This can notably be explained by the reduction in discovered reserves. Thus, the production of hydrocarbons in Norway should be down 28% by 2035, and 64% by 2050, compared to the 2024 production level, according to the base scenario. Another scenario even predicts a contraction of up to 48% by 2035, which highlights the need to replace this supply.⁴

This naturally creates a business opportunity for a liquefied natural gas plant project in Quebec, as this gradual drop in Norwegian production of natural gas should lead to a reduction in exports. European countries will thus find themselves needing to get their gas from other suppliers.

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The construction of a natural gas liquefaction plant by private investors in Quebec could help replace a portion of that supply. For example, the GNL Québec project⁵, proposed a decade ago, would have had a maximum daily production capacity of 46 million cubic metres of liquefied natural gas. If exported at 2024 resource prices,⁶ this production would have been worth a little over \$1.7 billion annually.

A plant of this capacity could have supplied 6.2% of total European imports in 2024.⁷ Although this is only a fraction of the portion Norway currently supplies, it nonetheless represents a win-win proposition that would enrich Quebec and Canada by providing new outlets for our natural gas reserves, while meeting a part of the

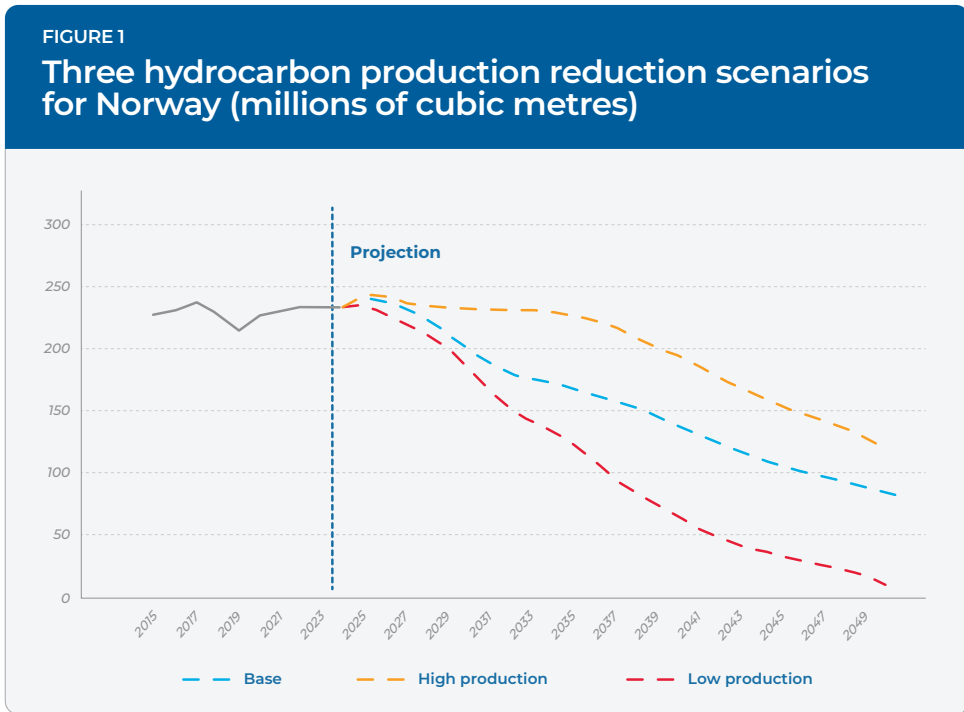
European demand that Norway will likely be less and less able to fulfill.

QUEBEC'S GEOGRAPHIC ADVANTAGE

The geographic position of Quebec makes it a supplier of choice for the provision of liquefied natural gas directly to Europe. Indeed, the nautical distance between the port of Baie-Comeau, a credible Quebec site currently being studied for this purpose, and several major European ports that import natural gas is relatively small.⁸ The high-capacity European ports examined here are Dunkirk in France, Rotterdam's Gate terminal in the Netherlands, and Barcelona, Spain.

The distance between Baie-Comeau and these three ports ranges between 2,876 and 3,375 nautical miles⁹ (see Table 1). These delivery distances are particularly advantageous compared to the international competition. In comparison, both the United States, where the vast majority of existing and planned export terminals are located in the Gulf of Mexico, and Qatar in the Middle East are further away from these three European ports than a potential plant in Baie-Comeau.

In the United States, the distance between the port of Corpus Christi—one of the largest terminals in service in the Gulf of Mexico—and the three European destinations mentioned above ranges between 5,017 and 5,342 nautical miles. A tanker filling up in Corpus Christi would thus have to travel between 58% and 74% further than one leaving from Baie-Comeau.



Note: Hydrocarbons include natural gas.
Source: Norwegian Offshore Directorate, *Resource Report 2024*, Chapter 4: Three Potential Scenarios, August 21, 2024.

Qatar is also one of the world's big liquefied natural gas exporters today. Yet, this country is even further from European ports like Dunkirk and Rotterdam, located respectively 6,244 and 6,343 nautical miles away. These are thus over twice as far away from Qatar as they are from Baie-Comeau.

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These distances have a direct impact on transport costs. Indeed, the price of delivered liquefied natural gas notably depends on the cost of chartering LNG carriers and the cost of fuel, which go up with the maritime distance travelled.¹⁰ This would confer

upon a project developed in Baie-Comeau a competitive advantage over other plants, as deliveries would be faster and cheaper.

In addition to this geographic advantage, the fact of being able to count on a reliable partner is also of strategic importance. Indeed, several European political leaders have expressed their interest in Canada’s natural gas.¹¹ Supplying themselves from a liquefaction plant located in Baie-Comeau would thus allow them to avoid becoming more dependent on American supply, which is currently gaining market share in Europe in the absence of a Canadian alternative.

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REVISING QUEBEC’S ANTI-HYDROCARBON POLICY

In order to be able to fully take on this partnership role, the Quebec government would have to revise its approach to energy policy. This would allow it to avoid the errors of the past in terms of liquefied natural gas plant projects.

Quebec’s current regulatory framework is unfavourable to the construction of natural gas plants on its territory. The environmental assessment of a large project concludes

TABLE 1
Distance between different liquefied natural gas export terminals and regasification facilities in Europe (nautical miles)

Sites	Distance from Baie-Comeau	Distance from the Gulf of Mexico (Corpus Christi)	Distance from Qatar (Doha)
Dunkirk (France)	2,876	5,017 (+74%)	6,244 (+117%)
Gate terminal (Netherlands)*	2,970	5,111 (+72%)	6,343 (+114%)
Barcelona (Spain)	3,375	5,342 (+58%)	4,657 (+38%)

* The point of reference used is the port of Rotterdam, which extends over several kilometres.
Source: Author’s calculations. International Group of Liquefied Natural Gas Importers (GIIGNL), *The LNG Industry – GIGGNL Annual Report, 2025*, pp. 59-61; Sea-Distances.org, consulted January 6, 2026.

with the minister’s decision to accept or refuse it based on two reports, including the one from the Bureau d’audiences publiques sur l’environnement (BAPE).¹²

It is in this context that the Quebec government rejected the GNL Québec project in the Saguenay—Lac-St-Jean in 2021.¹³ The BAPE public consultation for this project was heavily influenced by environmental activists, and the government concluded that the project did not enjoy sufficient “social acceptability.” This concept remains particularly fuzzy and non-quantifiable, even according to the Quebec government itself,¹⁴ which thus limits its rigour when invoked in order to refuse a project.

However, in December 2025, the finance minister tabled Bill 5, which may alter the prospects of such endeavours in the future. This bill aims to accelerate the environmental assessment process for certain projects designated as priorities.¹⁵ It is inspired by federal Bill C-5 adopted in June 2025, which opens the door to a fast-track environmental assessment for certain projects the

federal government considers priorities.¹⁶ If Bill 5 is adopted by Quebec, it would be possible to circumvent certain hurdles such as those encountered during the evaluation of the former GNL Québec project.

Despite this advance, the Quebec government should undertake an in-depth reform of the environmental assessment process, as should the federal government. Indeed, an approach that is swift by default, rather than by exception, would be preferable, as it would avoid the need for arbitrary decisions regarding the progress of projects.¹⁷

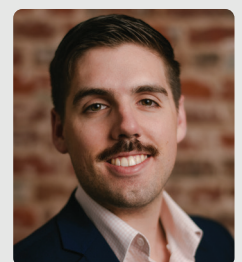
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CONCLUSION

Natural gas will continue to be used for decades to come, well beyond 2050. Quebec has the capacity to play a role in supplying Europe and other regions of the world, thanks to its undeniable geographic and strategic advantages. This will only be possible, however, if the Quebec government takes its foot off the brake pedal. To do so, it must quickly adopt Bill 5 and use the resulting powers to recognize proposals to build liquefied natural gas plants as projects in the national interest.

For its part, the federal government should adopt a similar attitude in order to ensure the harmonization of environmental assessments. Though ultimately, both levels of government should favour an approval process that is swift by default, this “priority project” approach would at least facilitate the construction of a liquefied natural gas plant in the near future, thus contributing to the prosperity of Quebec and of Canada as a whole.

This Economic Note was prepared by **Gabriel Giguère**, Senior Policy Analyst at the MEI. The MEI’s Energy Series aims to examine the economic impact of the development of various energy sources and to challenge the myths and unrealistic proposals related to this important field of activity.



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