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Chair: Mr. John Aldag



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• (1555)

[English]

The Chair (Mr. John Aldag (Cloverdale—Langley City, Lib.)): I call the meeting to order.

Good afternoon, everyone. To our witnesses who are joining us today, I apologize for the late start. We had votes, and votes control our lives here.

I will go through a couple of quick opening comments.

Welcome to meeting 19 of the House of Commons Standing Committee on Natural Resources. Pursuant to Standing Order 108(2), the committee is continuing its study of creating a fair and equitable Canadian energy transformation. Today is our fourth meeting with witnesses on this study.

We're going to hear from witnesses until about 4:30. I'm going to try to get us through the first full round of questions, which is about 24 minutes, plus opening statements. We will see where that takes us. Then the plan is to go in camera for the last part of the meeting to continue on a report we have been working on. It definitely won't be at 4:30, but we will still plan on going in camera at some point this afternoon.

We're in a hybrid format. Now that we're in session, screenshots and taking photos are not allowed.

We are asking anyone attending in person to wear a mask if you're moving about the room.

For the witnesses and members, I will recognize you before you speak. For those participating by video conference, click on the microphone icon to activate your mike and then mute yourself when you're not speaking.

Interpretation is available in English, French or floor. We ask people to speak in a conversational tone, and not too fast, so that our interpreters can keep up with the conversation. All comments should be addressed through the chair. If you want to speak in the room, raise your hand. If you're online, you can use the "raise hand" function.

In accordance with the routine motion, all the witnesses have completed the required connection tests in advance of the meeting. Thank you for doing that.

I would now like to welcome our witnesses to our study of creating a fair and equitable Canadian energy transformation.

Online, we have two guests. As an individual, we have Éric Pineault, professor and economist, Institute of Environmental Sciences, Université du Québec à Montréal. From the Centre for Strategic and International Studies, we have Sandeep Pai, senior research lead, global just transition network.

In person, we have two guests. It's great to see people in our committee room once again. From the Canadian Centre for Policy Alternatives, we have Hadrian Mertins-Kirkwood, senior researcher. From the International Institute for Sustainable Development, we have Nichole Dusyk, senior policy adviser.

If I got anybody's name wrong, please excuse me. You can correct us when you get the floor to speak.

We're going to jump right in now to our five-minute opening statements.

Mr. Charlie Angus (Timmins—James Bay, NDP): I'm sorry; I have a point of order.

The Chair: Go ahead, Mr. Angus.

Mr. Charlie Angus: I just want to clarify something with you, Chair. I won't take very much time.

I know that my Conservative colleagues said this study needed to be focused on workers and I believe my Liberal colleagues agreed. We lost about an hour for hearing from labour last week. I have been in contact with the Canadian Labour Congress. They have asked to speak. They were on our witness list, but they were told they could make a written submission.

I don't really think it sends a very good message if we are not having the biggest workers' organization in the country, which has done a lot of work, here to speak to our committee.

I have two questions. First, will the Canadian Labour Congress be invited to participate? Second, if you can't put them on, does that mean that you have a witness list finalized? We haven't seen that finalized witness list, and I would like to know who else is not on that list.

The Chair: I will be working with our clerk and analysts after the meeting today. We have a revised list of proposed panellists for the duration of this meeting. I had a chance to go over it over the weekend. I just need to get some points clarified, and then we will be circulating that.

Our interest is to hear from as many organizations as possible, including the Canadian Labour Congress. I can't say yes or no to that, but I hear your point. I will commit to getting a proposed list out to everybody as quickly as possible so that you know where we stand.

If you're okay with it, we will move right into questions.

Mr. Charlie Angus: Thank you.

The Chair: We will start with our online guests first. When we have a stable connection, it's always good to jump into it.

Monsieur Pineault, if you're good to go, I will turn the floor over to you.

I also have a quick card system. When there are 30 seconds left, I will give you the yellow card. When the time is up, it's a red card. Don't stop mid-sentence, but wind up your thoughts. Then we will move on.

Monsieur Pineault, you are ready to go.

• (1600)

Mr. Éric Pineault (Professor, Economist, Institute of Environmental Sciences, Université du Québec à Montréal, As an Individual): Thank you very much.

I'm going to be intervening in French, but I can take questions in English during the discussion. It's either way.

[*Translation*]

I'm going to talk a bit about my professional activities. I'm speaking to you today as an environmental science economist and an academic expert in this field.

For several years, my work has focused on oil sands, and more recently on liquefied natural gas, LNG. I've also worked a lot with the Front commun pour la transition énergétique, the FCTE, in its efforts to create a roadmap for Quebec's transition to carbon neutrality. This association brought all the major union organizations together to work on a carbon neutrality project, including the Confédération des syndicats nationaux, the CSN, the Fédération des travailleurs et travailleuses du Québec, the FTQ, and the Centrale des syndicats démocratiques, the CSD, in addition to environmental movements, community groups and citizens groups.

I worked with the FCTE for two years on drafting a Quebec transition plan that factors in the various transition-related problems, as understood by the International Labour Office, the ILO. So I'm very familiar with what this committee is discussing at the moment.

I'd like to briefly address two points: the definition of a just transition and the current economic context for the transition. I'll begin with the first. Instead of going into the details, I'd like to simply draw your attention to the report published a few weeks ago by the Intergovernmental Panel on Climate Change, the IPCC. The report addresses climate change mitigation, and from among the various possible transition scenarios, it identifies one based on reduced energy demand. This strikes me as the only scenario that is compatible with a sound understanding of the just transition concept, and that takes all of the criteria in the definition of climate justice into account.

I would suggest that you read chapter 5 of the IPCC report, which is about reducing energy demand. The authors offer solutions and a vision of the transition that strike me as compatible with the concept.

I would now like to say a few words about the current economic context for the transition. I believe that the key issue for a just energy transition is the hydrocarbons sector—oil and gas.

Should the transition merely offset the expansion of oil sands and its emissions in some way, or should there rather be a just transition plan that requires the transformation of the Canadian economy to reduce its dependence on hydrocarbon extraction, combined with worker and community interventions for those who are economically dependent on this sector, to help them reduce their dependence on it?

I'd like to briefly present a few figures. Since 2005 in the oil sands sector, production has grown by a factor of 2.5 to 3.4, depending on the criteria used. Emissions matched this level of increase, and there has not been any reduction in emissions for this sector. The only emissions reductions were on the product development side. Investment in the oil sands sector has been dropping since 2015. The number of jobs has been declining since 2014, basically because of huge productivity gains. It is no longer being described as a dynamic sector that creates jobs. It is now a sector where employment has been dropping. The sector's tax contributions have also been declining. Currently, the revenue increases produced by the rising price per barrel have been translating in the industry into higher dividends rather than increased wages.

It is therefore important to take this sector in hand to plan its transition. My fear is that efforts made to develop a transition plan that does not seriously examine the sector would be undermined by the need to overcompensate for the increased greenhouse gases in the oil sands sector.

I have a final factor to add with respect to economic conditions. As we envisage the transition today, in 2022, we need to give due regard to the fact that our economy does not need job creation. In our economy, there is a shortage of labour from coast to coast. We are fighting over quality workers. In particular, we're fighting over workers from the construction sector and the manufacturing sector. Workers in the gas, oil sands and traditional oil extraction sectors will be and are now needed in other sectors of the Canadian economy. The challenge is not to create jobs. The challenge is to help those communities that depend too heavily on the oil sector. Qualified workers need to be retrained to work in other sectors where they are urgently needed.

I would be happy to answer any questions you may have about any of the aspects I've just raised.

Thank you.

• (1605)

[English]

The Chair: Thank you for your comments.

Dr. Pai, we'll turn it over to you for five minutes. The clock has started.

Dr. Sandeep Pai (Senior Research Lead, Global Just Transition Network, Center for Strategic and International Studies): Thank you so much for this opportunity, Mr. Chair. It's truly an honour to be here.

My name is Sandeep Pai. I work as a senior researcher with the Global Just Transition Network in Washington, D.C. I've been researching, writing about, and working on just transition issues for many years now, and I recently earned my Ph.D. on this topic from the University of British Columbia.

I want to acknowledge that energy transformations are already under way in the world. These transformations, we need to acknowledge, will destroy many jobs in traditional sectors, such as oil, gas, coal and automotive, but the green economy will also create millions of jobs in various sectors, ranging from solar to energy efficiency.

While industrial transitions have happened in the past, the scale and speed of the current transition will be nothing like we've seen before. I say this with respect to my research, which looks at multiple countries around the world, including Canada. This scale and speed will transform lives across communities in Canada. Although a large number of Canadians will no doubt benefit from this transition, make no mistake: Without adequate planning, many provinces, communities and workers might be left behind.

Given the enormous scale of this transition, I want to bring forth, before this committee, four key considerations.

First, I think it's important to acknowledge that just transition is not just a worker issue: It's an issue that impacts communities.

We always make the mistake of thinking about this as a worker issue, which is central, but not the only thing. Any large existing industry, such as oil, automotive or coal, typically creates a local ecosystem of socio-economic dependency that spans local jobs, local and regional revenues, and the social and community development spending these companies do. Therefore, my first point is that to understand how to do a just transition, it's very important to commission detailed studies of impacted sectors and communities to understand in turn the ecosystem, the dependencies and the regional vulnerabilities.

Second, one of the issues with just transition is trust. Globally—including, to some degree, Canada—we have never done good just transitions. Workers have always felt they have been left behind. My second recommendation is that Canada pilot some just transition interventions, as it has done with respect to the coal sector. However, it should pilot some interventions focusing on a few energy communities to show that just transition is not a theoretical idea and that it can be done in real life. It's very important; otherwise, communities will feel that this is just another fancy word.

Third, for any just transition, social dialogue is very important. The first step in even starting the social dialogue is conducting a stakeholder analysis to understand which stakeholders and communities will be impacted. This would include identifying under-represented stakeholders. In many jurisdictions, it has often happened that certain industrial or other groups dominate the discourse on just transition. You can see that happening in the U.S., in South Africa and even in the EU. To not make that mistake, it's important to identify who the under-represented stakeholders are and how we can engage with them throughout the process.

My final recommendation is this: A long-term, whole-of-government approach or intervention is required for doing just transition. Planning and implementing are part of a multi-level process that will require coordination among ministries, governments and various departments locally, provincially and nationally. Canada should consider creating an inter-ministerial committee that involves the federal government and members from key energy-producing provinces. Such a committee should facilitate ongoing social dialogue and enable fair and equitable Canadian transformations.

Thank you so much. I'm happy to take questions.

• (1610)

The Chair: That's perfect. Thanks so much.

We'll now jump to our room and Ms. Dusyk.

Are you ready to go?

Dr. Nichole Dusyk (Senior Policy Advisor, International Institute for Sustainable Development): Yes, I am.

The Chair: Okay. I'll turn it over to you. The clock is starting.

Dr. Nichole Dusyk: Thank you.

Thank you for inviting me to testify this afternoon. My name is Nicole Dusyk. I'm a senior policy adviser with the International Institute for Sustainable Development.

IISD has extensive experience in researching and advocating for just transitions, both in Canada and abroad. Our most recent report was published just a few months ago. It's called "Making Good Green Jobs the Law: How Canada can build on international best practice to advance just transition for all". This report and the research that underpins it inform my testimony today.

Like previous speakers, I want to begin by highlighting that Canada has been through difficult labour transitions before. Whether that's the boom and bust in the oil patch or whether it's the collapse of the cod fishery, we do have experience and we understand what is at stake and how important it is to proactively plan and ensure that supports are in place for workers and for communities.

We are on the precipice of another major labour transition. The cost of renewables and battery technologies is dropping. As countries implement ZEV mandates and other climate policies, global demand for oil and gas will drop. We know this. We know the energy transition is under way. We also know that additional climate policy is necessary in order to accelerate that transition.

Ultimately, climate policy and climate action will have net economic, social and environmental benefits for Canadians, but we also know that it will disproportionately impact specific communities and specific workers, so it's very important that we plan proactively and start addressing that and thinking about that right now.

With this in mind, I wanted to thank the committee for undertaking this study. This is important work, and I look forward to what I hope are robust recommendations in terms of how we can ensure that no Canadians are left behind on the inevitable energy transition.

I'd like to make four general recommendations.

First, for a just transition, getting the process right is essential. Good outcomes for Canadian workers will emerge from good, inclusive processes. More specifically, processes should be grounded in what the International Labour Organization calls "social dialogue" and a tripartite process that brings together workers, employers and governments, including indigenous governments, to jointly develop and implement solutions.

We recommend that in Canada, just transition processes be based on a tripartite-plus process. That brings together the core actors, the three core actors or core parties. The "plus" is also inclusive and includes engagement with other stakeholders, such as communities and civil society organizations.

My second recommendation is that planning should include a broad and just transition strategy, of which legislation is just one part. Complementary measures will also be needed, including green industrial policy, labour market planning and strengthening of social protection.

Third, it is important to name the transition for what it is: It is a transition away from a fossil-fuel-based economy towards a clean energy economy. To understand the scope and the impacts and to implement effective programs and supports, we do need to understand and be clear about which industries have declining job prospects and which industries will drive future job growth.

To this end, it is imperative that the government move forward with its commitment to develop energy scenarios that are based upon a world where global warming is limited to 1.5°C. These kinds of scenarios will be really important for developing a shared understanding of our end goal—where we're going—and also will provide needed analysis that can help with the planning.

Finally, just transition funding should be proactive. It should be flexible, nationally coordinated and supportive of local decision-making. It also needs to be high enough to address the immense challenge that is ahead. Funding processes must uphold indigenous rights and authority, and they should be articulated through the tripartite-plus process, wherein all affected parties work together to set funding priorities and establish funding needs. Substantial public funding will be required, but at the same time, the federal government must ensure that financing for a low-carbon transition includes the private sector.

● (1615)

It also must ensure that corporate accountability is maintained and upholds the "polluter pays" principle, and at the same time minimizes public financial liability.

In conclusion, we also have some specific recommendations for just transition legislation in terms of what should be included within that legislation. I will leave that for the question-and-answer period, if any members are interested.

Thank you.

The Chair: Thank you so much.

We'll now jump to Mr. Mertins-Kirkwood for his five minutes.

Mr. Hadrian Mertins-Kirkwood (Senior Researcher, Canadian Centre for Policy Alternatives): Thank you, Mr. Chair. Thank you to the committee for the invitation to speak with you about this important study.

My research at the Canadian Centre for Policy Alternatives for the past five years has focused specifically on the issue of a just transition. I am pleased to have the opportunity to share some lessons from that work with this committee.

The most important point off the top—and you've already heard this today—is that the transition to a low-carbon economy is already under way. This is not a future or theoretical problem; the world is moving away from fossil fuels whether we like it or not. The choice for Canada is between, on the one hand, a just and managed transition—

[*Translation*]

Mr. Mario Simard (Jonquière, BQ): We have lost the interpretation, Mr. Chair.

[English]

The Chair: We'll just wait until the interpretation catches up or comes on.

[Translation]

Mr. Mario Simard: Thank you.

[English]

The Chair: We're good to go.

Please continue.

Mr. Hadrian Mertins-Kirkwood: Our choice is between, on the one hand, a just and managed transition to a lower-carbon economy or, alternatively, an unplanned collapse reminiscent of so many previous resource busts. The status quo, especially when it comes to oil and gas production, is simply not tenable in the long term.

How do we achieve this transition? Well, there are four key pieces to focus on.

First, when we talk about the energy transition, we need to stop talking about emissions reductions in the abstract and be clear about the end goal. To meet our domestic and international climate commitments by 2050—and I will be less diplomatic than my colleagues here—there can be no fossil fuel industry in Canada. Full stop.

The question is, what are we doing now that sets us up for that future? To date, the Government of Canada has focused a lot on scaling up the clean economy, and that's good, but it has hesitated to map out a plan for the fossil fuel industry. In contrast, with the coal transition, the government set a deadline of 2030. That clear timeline was essential, not only for environmental reasons but also because it gave affected workers, their communities and the industry certainty about the future. It allowed them to plan. We can't plan for 2050 if we don't have a clear sense of what that future looks like.

The second key piece is that when we talk about the energy transition, we need to recognize that there are actually two transitions happening here. There's the transition out of fossil fuels, which disproportionately impacts those workers and communities who depend on it, and then there's the transition into a cleaner economy that takes place in every community across the country.

It's a myth that our fossil fuel workforce will transition into our clean economy workforce. Many coal, oil and natural gas workers today are going to do their jobs until retirement or else transition into jobs outside of the energy industry. In contrast, most people working in green jobs in 10 years will never have worked in the fossil fuel sector. We need very different sets of policies to support these two categories of transition, which affect different kinds of workers in different parts of the country.

The third key piece, to borrow a phrase from my colleague Seth Klein, is that Canada needs to "Spend what it takes to win." Transitioning the economy off of a \$100-billion-a-year export industry while at the same time trying to decarbonize every other sector will, of course, be extremely expensive. The recent federal budget estimated that to achieve net-zero emissions, we need to be spending

an extra \$100 billion to \$125 billion a year to achieve net zero in Canada.

Although it's not the federal government's responsibility on its own to make up that gap, the government does need to be spending a lot more to accelerate this transition, especially with investments that are targeted at the communities and regions that currently depend on oil and gas. They need alternatives.

The fourth and final point is that for a truly equitable transition, we need to look beyond—

• (1620)

The Chair: I'm sorry to interrupt. I've just noticed that it appears the bells have started. Once the bells start—I assume these are 30-minute bells—we need agreement from the committee for the committee to continue.

Do people want to go back to the House to vote, and do you need 10 minutes to get back?

Go ahead, Mr. Angus.

Mr. Charlie Angus: Do 30-minute bells give us an opportunity to finish this and at least a truncated round? Then we can—

The Chair: There's a minute and a half left on the opening statements, and then we'll have 24 minutes. We can always come back.

I've been told that because of the late start, we have the resources, with our interpreters in the room until 5:55. We're confirming whether we can go beyond that because of this vote. We'll see when we finish, but we'll finish off and then jump into the first round of questions.

If people think 10 minutes is enough time to get to the House, I'll let you know when that is happening. I apologize.

We'll go back to you, sir.

Mr. Hadrian Mertins-Kirkwood: No problem.

The fourth and final point is that for a truly equitable transition, we need to look beyond directly affected workers and consider the impacts of transition on everyone in their communities. In Alberta, for example, we have a coal transition. We've provided income support, retraining money, relocation money and other benefits to coal workers, which those workers deserve. However, contractors in those facilities, part-time workers and other people indirectly dependent on that industry don't receive the same kind of support.

Providing broad support is important from an equity perspective, because while the people who work in the energy industry today are disproportionately high-income white males who were born in Canada, the people who depend indirectly on that industry—who, for example, make lunch for energy workers and also lose their jobs when a project closes down—are more likely to be low-income women, racialized workers and immigrants. Just transition policies that are too narrow can make inequality worse and further marginalize historically excluded groups.

The lesson is not that energy workers don't deserve support in this transition. Of course, they absolutely do. The lesson is that we need to think bigger and more comprehensively about how entire communities transition to ensure that the costs of this inevitable shift to a clean economy are shared fairly and that the benefits are shared equitably with everyone.

That's equally as important on the phase-out side as it is on the training side, where we need to do a much better job of diversifying the professions, like the skilled trades that are poised for growth in the coming decades.

I'll stop there.

Thank you again for the invitation. I welcome any questions from the committee.

The Chair: Perfect. Thanks so much.

We have 27 minutes on the clock until the votes. We'll get into the first couple of rounds of questions.

Mr. McLean, I'll turn it over to you. We'll get right into your first six minutes.

Mr. Greg McLean (Calgary Centre, CPC): Thank you, Mr. Chair, and thank you to all the witnesses.

I've heard a lot in the lead-up to this question. I will say there is a constructive narrative here. I'm not going to spend a lot of time debunking it, but it is based on a fantasy that there's enough money in the world to try and accomplish what some of the witnesses here are going to say.

I'm going to focus my questions on Ms. Dusyk and the task force for a resilient recovery.

Two years ago, the IISD, the International Institute for Sustainable Development, was involved with the task force for a resilient recovery when Parliament wasn't sitting. Fifteen members, including yours, were designing an outcome for Canada that found its way into the throne speech and then into the budget, word for word, about how Canada was going to transition, including hundreds of billions of dollars. Nobody from Parliament and nobody, ostensibly, from the Department of the Environment or the Government of Canada had any input on that whatsoever.

Can you explain how you think this is democratic input, or is it just democracy by NGO, non-governmental organizations, alone?

Dr. Nichole Dusyk: No. I'm not able to comment on that. I wasn't with IISD at the time. I don't have any particular comments on that.

Mr. Greg McLean: Okay. Thank you.

Let's move toward Environment Canada's role in what we call the just transition.

If Environment Canada's role is solely to dole out taxpayer funds to organizations like yours to announce the propaganda that you are announcing about what the government's role should be in this process, are the jobs at the Department of the Environment the ones that should be transitioning?

Dr. Nichole Dusyk: Is the question that we should no longer have Environment and Climate Change Canada?

● (1625)

Mr. Greg McLean: The question is that if Environment and Climate Change Canada's role is just to give out money to well-thought-of organizations like yours, is Environment Canada really necessary to advise the government anymore?

Dr. Nichole Dusyk: It's my understanding that this is not Environment and Climate Change Canada's entire role. They have an important role in regulating and governing environmental matters in Canada.

Mr. Greg McLean: I agree.

The question is that your budget in 2020 tripled with this government to \$17 million from the government, but it's far more if you count the other governmental organizations that contributed. As a matter of fact, I think \$24 million of a \$30 million budget comes from the federal government or other governments for your organization.

IISD is a government-funded organization that we're talking about. Is that correct?

Dr. Nichole Dusyk: IISD receives funding from the Canadian government, absolutely. It also receives funding from other international governments, as well as funding from the UN. We have some project-based and foundation funding as well.

All of our funding is available in our annual reports. It's available for anybody who would like to look and see it.

Mr. Greg McLean: Yes, but that doesn't answer the question. I have your financial reports here, and the numbers I just exactly stated are that this is all government money going into your coffers, and it has increased significantly in the last few years. That's when some Liberal policy advisers came on to your management team and executive. Is that correct?

Dr. Nichole Dusyk: I can't speak specifically to that.

Mr. Greg McLean: Well, I can. It tripled in 2020 once Jane McDonald, the next policy adviser to the environment minister, came on your board. Is that correct?

Dr. Nichole Dusyk: I will assume that it is.

Mr. Greg McLean: Okay. Thank you.

In your financial statements this year, in addition to the government money that's a gift or more or less an operating licence for you to give testimony and advance these initiatives, you got \$798,000 in CERB and payouts for the pandemic. If you're getting grants from the government, do you really need more grants from the government, or are you taking money with both hands at this point in time?

The Chair: I'm just going to jump in here for a second and then I'll let you get back to your line of questioning.

I just want to point out that our witness is the senior policy adviser, and some of the questions you're asking may be more appropriate for others within the organization. I can't speak to that, but I just wanted to flag to Ms. Dusyk that if she's not the right person, given the nature of some of the questions, to just let the—

Mr. Greg McLean: Mr. Chair, she's the only witness I have here from the IISD as someone to answer the questions—

The Chair: That's fine. I just want to point out that—

Mr. Greg McLean: Well, can I have my time back, please, Mr. Chair?

The Chair: Yes.

Mr. Greg McLean: I'm not sure what the nature of that intervention was, but—

The Chair: I stopped the clock.

Mr. Greg McLean: —I can assure you that this is the only witness from IISD that I get in front of this committee. There are good things that IISD does, including the Experimental Lakes program, which was its initial mandate. It's far beyond that mandate now, and as I say, if I'm pointing out that in the last three years the gifts and grants they get from the government have tripled because of political connections, I think it's a very important part.

The Chair: My comment was based on the witness's knowledge.

I'm going to start the clock again. You have a minute and 32 seconds left.

Mr. Greg McLean: Thank you.

You talk about corporate accountability here. Does corporate accountability apply to your organization and the questions I'm asking here today about what is happening to taxpayer dollars in this process?

Dr. Nichole Dusyk: Yes, absolutely.

Ms. Julie Dabrusin (Toronto—Danforth, Lib.): Mr. Chair, I have a point of order.

The Chair: Yes, go ahead.

Ms. Julie Dabrusin: At this point, it's gone on for a while, but I'm going to tend to agree that this has very little to do with anything and nothing to do with just transition. At this point, we have a study. We have terms of reference for a study. This is absolutely not part of that study, so I would suggest that it's not relevant.

The Chair: I would say that I've generally given fairly large latitude in the questions. There are a minute and 17 seconds left. Mr. McLean, I will give you the latitude that I've afforded to panels, but, as Ms. Dabrusin points out, we have a study that we're looking at, and it's always helpful to get testimony related to that study.

I'll turn it back to you.

Mr. Greg McLean: Mr. Chair, I hope this isn't my time, but in answer to Ms. Dabrusin's point of order, the witness did talk about corporate accountability, and I was asking her about that. I fail to see how it wasn't part of the testimony we're given here. If you can rule that as out of order, I'd really appreciate it. I'll continue on with my—

• (1630)

The Chair: I'll restart the clock at a minute and 17 seconds.

Mr. Greg McLean: Thank you.

We know the energy transition is under way, yet other government bodies, including the Canadian Energy Regulator, talk about our producing a million more barrels of oil equivalent in 2030. Somehow this transition that you're talking about isn't completely under way at this point in time, is it?

Dr. Nichole Dusyk: The CER's scenarios are in fact just scenarios. They will fully admit that those are not aligned with the government's climate goals. If you read that scenario, it says that oil peaks in 2032. That is the year that it peaks, and that is not consistent with the government's climate goals.

Mr. Greg McLean: Indeed, and that's why we're trying to square the hole here, if you will. Which way we are going forward on this is something that we need to address. Do Canadians become energy starved or do we produce energy that is more and more environmental as we go forward?

I'll disagree with the other witness here that ending oil and gas in the world is something that's on the horizon, because in fact, as we found out at the International Energy Agency, the 34 most developed countries in the world are only down to 77.9% of fossil fuel energy on a larger base at this point in time, and that's after already trillions of dollars in grants from governments in order to move towards alternative energies.

I would like us to move more quickly, but I'm not finding the facts that you're putting on the table here leading to that conclusion.

The Chair: We're out of time on this one now.

Folks, we have 18 minutes until the bells. We have time for one more six-minute question before we suspend for the vote, if that works for people.

Mr. Chahal, you have six minutes on the clock. It's over to you.

Mr. George Chahal (Calgary Skyview, Lib.): Thank you, Mr. Chair, and thank you to all of the witnesses for presenting today.

I'm going to take the questioning back to why we're here, namely the just transition study and work we're doing here at committee.

Ms. Dusyik, in your presentation you raised a number of important elements and stated that you could provide some further comments with regard to legislation. Could you provide those further comments on the important elements of just transition legislation from your perspective?

Dr. Nichole Dusyik: Yes. Thank you.

Coming from the report I mentioned, "Making Good Green Jobs the Law", we have a number of recommendations specific to legislation. One of the recommendations I made is that just transition legislation should be part of a larger strategy. We do need to think about a larger strategy, and that strategy, in a roundabout way, should be articulated through the legislation, in part because what we have right now is a commitment by this government to produce just transition legislation. That is likely to be one of the first pieces to come forward. We need to think about that and the commitment to develop that larger strategy with complementary measures as part of the legislation.

Legislation should also reference key international agreements and principles, particularly the principles of a just transition as articulated by the International Labour Organization. It should also reference the 1.5° scenario, because that is the scenario that avoids climate catastrophe.

An act should take a tripartite-plus approach, as I mentioned in my initial statements, with strong, ongoing social dialogue and a focus on equity. It should name the partners that would be part of that tripartite-plus approach. They should all be named in the legislation.

It should also establish an advisory body and have a clearly defined role for that advisory body. The bones of that advisory body need to be set out in the legislation. Preferably that advisory body would have some negotiating power as well.

The act should also include comprehensive plans for implementation and accountability. It's really important that with any programs or supports that are put into place, any legal framework, there need to be clear evaluation metrics. The framework needs to have clear authority for who is responsible for delivering the programs and for delivering results in those programs.

Those are the five combined recommendations.

Mr. George Chahal: Thank you for that.

Mr. Pai, your presentation spoke about an inter-ministerial committee. I believe that's a committee between the various levels of government. Could you confirm if that's what you're intending with those remarks—that it's between all levels of government?

• (1635)

Dr. Sandeep Pai: Yes, that meant between different ministries, such as the ministries of environment and finance and the ministries looking after skills development and various others.

That's a model that has, in part, worked in other jurisdictions. The U.S. has an active inter-agency working group on energy communities that's actually doing quite well in terms of providing funding. South Africa also has a presidential council on the just transition, which includes members from various ministries, including from provinces or states that are impacted.

Mr. George Chahal: Do you see that going also to provincial and municipal governments, and local governments and indigenous communities as well?

Dr. Sandeep Pai: Yes. Ideally, in that task force or committee, there should be representation from the most impacted communities, including labour, indigenous communities and others.

Mr. George Chahal: Thank you for that.

Mr. Kirkland, what can we learn from other countries that have gone through a just transition—Germany, Spain, New Zealand and other countries—that we can incorporate here to get our just transition legislation and policies right?

Mr. Hadrian Mertins-Kirkwood: One of the most important things is that if you have sufficient social policy and a sufficient social safety net on the one hand, and on the other hand a green industrial policy to build out an alternative, you don't need a just transition. That takes care of itself. That was Denmark's experience. They didn't need to talk about a just transition, but just scaled up the wind industry and protected everyone who was displaced.

More recently, countries like New Zealand and Scotland have led, first of all, as we just discussed, with dedicated advisory and coordinating bodies, commissions or agencies to oversee just transition, because it's an extremely complicated topic and involves every kind of government, as we've heard, so you need some sort of coordinating body.

Then the last piece is having clear environmental regulations that are consistent with net zero and with our climate goals. New Zealand and Denmark, for example, have both committed to winding down or phasing out oil production entirely, and that gives them a framework within which to design social and industrial policies.

Mr. George Chahal: Thank you for that—

The Chair: We're out of time now. I was a bit late on giving you the yellow card, so thank you.

Folks, as we're now at just under 12 minutes until the vote, I think we will suspend at this point and people can head back to the House. After the vote's done, I request that we come back. We have 10 minutes to get back and return to the discussion.

I need to check with the witnesses. We invited them to be here only until 4:30. Are you available to stay if we're able to reconvene after the bells and the vote? It will be probably 20 to 25 minutes.

Mr. Éric Pineault: My maximum would probably be 5:30.

The Chair: We'll work to respect that.

It would be great if we could come back to at least have the NDP and Bloc questions for 12 minutes. Then we'll see if it's the will of the committee if we want to stay to do the in camera report. I don't know if we'll get much beyond that.

At this point, we'll suspend and everybody can go to vote. I'd ask you to come back when you can.

Thank you.

• (1635) _____ (Pause) _____

• (1710)

The Chair: I call the meeting back to order.

Just before I start, I didn't welcome Mr. Sorbara and Mr. Morrice to the meeting, so welcome.

With that, we'll turn it over to Monsieur Simard, who will have six minutes for our witnesses.

[*Translation*]

Mr. Mario Simard: Thank you, Mr. Chair.

Are all the witnesses connected, including Mr. Pineault?

[*English*]

The Chair: He said he was going to be available until 5:30, so we'll just....

I've stopped the clock, Mario.

Monsieur Pineault is showing as still being on. Monsieur Pineault, if you can hear us, please turn your camera on, as we have a member who would love to have a conversation with you.

Monsieur Simard, is there anyone else you wanted to start with? We're trying to get Monsieur Pineault back on.

[*Translation*]

Mr. Mario Simard: All right.

[*English*]

The Chair: Oh, here he is.

I'll restart the clock at six minutes.

[*Translation*]

Mr. Mario Simard: Thank you, Mr. Chair.

I'd like to draw the attention of my good friend, Mr. McLean, to one particular point. I know that he cares deeply about Canada's public finances. If he is looking for pointless spending on financial support, I would mention that in the gas and oil sector, \$750 million are spent on the Emissions Reduction Fund, which I think is rather more difficult to defend than support for some other organizations. We can talk about this again later.

Mr. Pineault, I think that all of our witnesses agree that the Canadian government is not about to abandon fossil fuels.

You are maintaining that there is a decline in tax benefits from the oil and gas sector, and fewer jobs. You mentioned two avenues

worth considering, one of which is to develop a plan to offset oil production, and the other for us to develop a plan for the transformation of the economy. My impression is that in order to achieve a genuine just transition plan, the transformation of the economy is what's needed.

Have you seen anything to indicate that the federal government is headed in this direction at the moment?

• (1715)

Mr. Éric Pineault: I wouldn't say that there's a plan, but there are some positive signs.

On the one hand, I see that there are policies to support green energy development, and other policies to support green renovation. On the other hand, there is a policy to support expanding the hydro-carbon sector in Canada. This takes the form of the CCUS tax credit for carbon capture, utilization and storage. Basically, the purpose of the measure is to protect the Canadian oil sector from climate policies in other countries.

Other countries are going to say that they don't want anything to do with a barrel of oil that has such high levels of carbon emissions. What we are going to do is spend money on until 2030 to reduce GHG emissions in that barrel of oil, while not reducing emissions overall. What we're talking about here is an expanding sector.

So I don't see a plan. What's needed is a plan that would aim at carbon neutrality in 2050 by placing a ceiling on oil and gas production and transforming the regional economies that depend on it. As we know, the situation is particularly critical in Newfoundland, with 50% of investment going to the oil sector. There is therefore a lot of work to be done for that particular economy. On the other hand, wind power has enormous potential.

Not only that, but Alberta's economy is already stronger and more diverse, although it needs support. Serious support and a predictable downward ceiling on production are needed, in my view. That's exactly what we did with coal. In Quebec, we had asbestos. At some point, you have to close it down.

Mr. Mario Simard: Thank you, Mr. Pineault.

I'm now going to give Ms. Dusyik an opportunity to comment.

Ms. Dusyik, you and your colleague spoke about a plan that would put an end to fossil energy production.

What do you think we could do in the short and medium term to develop a plan like that?

[*English*]

Dr. Nichole Dusyik: As I mentioned in my testimony, there are global forces at work that are beyond what is happening in Canada. Obviously, climate policy is happening in other countries, and we are seeing that and we will see the effects. We are seeing electric vehicles. The rates of purchase of electric vehicles are going up globally, and that will have its own effects.

In Canada, we basically have climate policy that will seek to reduce domestic demand for oil and gas. That policy is largely in place, so we have ZEV mandates and we have a commitment to clean electricity by 2035. We have a number of policies that are working on the demand side in Canada.

The question that we're here to discuss today is the result of what those policies will be on workers and how we can make sure that workers don't get left behind and communities don't get left behind.

The point I would really like to make is that we need to proactively plan for that future. We need to think about that future. We need to understand what the end goal is and come to some shared understanding of what that end goal is in order to make sure that we have the supports in place and that both workers and communities are supported.

[Translation]

Mr. Mario Simard: Thank you, Ms. Dusyck.

If there's a little time left, I'm going to give my friend Mr. Morrice a chance to ask a question.

Mr. Mike Morrice (Kitchener Centre, GP): Thank you, Mr. Simard.

[English]

I want to start by asking a question of Ms. Dusyck as well. I can appreciate that some in this committee might not be thrilled with respect to IISD when they have spent time sharing about the billions of dollars that have been committed in subsidies to oil and gas.

Since the "Making Good Green Jobs the Law" report that IISD came out with, the environmental commissioner shared that "When it comes to supporting a just transition to a low-carbon economy, the government has been unprepared and slow off the mark." Is there anything you want to share in light of this report that reflects thinking that this committee should hear about?

Dr. Nichole Dusyck: Yes, absolutely. One of the key quotes out of that report, at least in my mind, is that "the current pace of planning for a just transition will make it difficult to address the upcoming shifts in the labour market and the needs of the Canadian workforce during the transition to a low-carbon economy."

I will just quickly say that the report points out the need for governance and the need for accountability and implementation, including metrics. That is key for ensuring that the programs being put in place are in fact meeting the objectives that we're setting for them and that they are in fact supporting communities and workers in the way they need to be supported.

• (1720)

The Chair: Thank you.

We're going to move over now to Mr. Angus. I need to keep this moving because Monsieur Pineault does need to leave at 5:30.

We'll go over to you, Mr. Angus, for your six minutes.

Mr. Charlie Angus: Thank you very much.

Mr. Pai, I want to start with you from an international perspective. You've said that the transformation is happening.

I know that my Conservative colleagues think it's some kind of conspiracy against the Canadian Association of Petroleum Producers, and my Liberal colleagues don't seem to know where any good green jobs are. They keep demanding to know where they are.

In terms of the global perspective, the transition is happening. How do you see it playing out for Canada if we start to invest in a clean energy economy, and how do you see it playing out for Canada if we don't?

Dr. Sandeep Pai: Thank you for that question.

From a global point of view, we could even start with Asia. People think most of the energy demand will be there in the future. People think most of the consumption for oil, gas and coal will be there. If you think about countries like India and China, you see that they've committed to stop building new coal plants. Even if they have not fully committed, fewer and fewer coal plants are being built.

Ten years ago, if somebody had said that India would stop building coal plants or that China would stop building coal plants beyond 2020, that would have been unimaginable. Those countries are already deploying large-scale solar and large-scale wind technologies. They're talking about reducing the use of fossil fuels in the long run. Even from a demand point of view, you see that countries that could have been demand centres in the future for these technologies may or may not bite on some of these resources that Canada is trying to export. That's the big picture.

Of course, every country has commitments on clean energy in one way or another. That's a very important distinction, if you think about it from a 10-years-back point of view. Canada has an opportunity to hold on to its traditional sectors and try to delay as much as possible, but it will be competing with countries that may be able to produce oil at a much cheaper rate. Therefore, it will be very difficult for a country like Canada, which is exporting, to compete with Saudi Arabia or other countries. In that sense, I think it gives Canada, being a rich country, an opportunity to really invest in a clean energy future and really plan how, in the short term, long term and medium term, these transformations can be planned.

Within that framework, I think it's also important to address the issues of workers and communities. As I said in my introduction, I do believe that hundreds of communities will be impacted across Canada as these transitions happen. As that happens, we really need to think about what the different local jobs are that can be created and what the skill sets are that will be required.

As a last point, there may be some mapping with respect to the clean energy industry and whether you could create some of those jobs locally. It won't be all.

Mr. Charlie Angus: Thank you so much for that.

Mr. Mertins-Kirkwood, in an editorial you wrote on the just transition, you said that “weak legislation may be worse than no legislation at all”. Given what I'm hearing from my Liberal colleagues on their view of the just transition, and certainly I know where my Conservatives are coming from, what's your concern about weak legislation being worse than none?

Mr. Hadrian Mertins-Kirkwood: Thank you for that question.

The concern broadly is that sometimes we make plans and commitments, and then we pat ourselves on the back and don't do anything about them. There's a risk that passing just transition legislation will allow the government to say that it has closed the file even if nothing actually changes on the ground.

Mr. Charlie Angus: Would you say that the environment commissioner's recent report saying that this government has missed every single target, continues to make promises, and continues to fail would be a good example of that?

Mr. Hadrian Mertins-Kirkwood: Well, I think the point of the environment commissioner, and I'd agree, is not that the plans are bad, necessarily; it's just that there needs to be a lot more follow-through.

We know, for example, that the green infrastructure money budgeted in 2017 still hasn't gone out the door. Great—we have that commitment in the budget, and yet we still haven't spent the money. There's a lot of stuff we promised to do that we haven't done yet.

• (1725)

Mr. Charlie Angus: Thank you.

Ms. Dusy, I was looking up your organization because it sounded so nefarious from the way my colleague was describing it. You guys work with the UN and you have all kinds of international funding, but I have to say how shocked I was that you actually have a quote from Brian Mulroney on your page. It's no wonder that my colleagues in the Conservatives are so upset, because they've moved beyond that Conservative party to being this kind of extreme Conservative.

That aside, you said that you had six recommendations, I think, that you could share with the committee. Would you be able to walk us through them, or, if you run out of time, at least provide them to us?

By the way, I don't want to say that I had anything bad to say about Brian Mulroney. I have a lot I could say, but on the environment, he actually showed up and did some work.

Dr. Nichole Dusy: I can quickly walk you through the recommendations. There are five.

First, the just transition legislation should reference key international terms and commitments. It should directly reference a transition away from fossil fuels so that we know where we're going, we know the principles we're using to get there, and we're referencing key legislation already in place, such as the Net-Zero Emissions Accountability Act.

It should articulate the tripartite-plus process. It should name the partners who are involved in those and name other stakeholders who will be engaged in the process. It should make commitments to indigenous rights, be clear about indigenous rights and specifically commit to leave no one behind.

The act should also establish an advisory body with a clearly defined role, and have a mandate and a membership for that body. That should be set out in the act so that it is very clear to all. That advisory body needs to be well resourced in order to do its work.

As I mentioned in reference to the commissioner of the environment and sustainable development's report on the just transition, the act needs to lay out a plan for implementation and accountability. It should set out governance structures and give the framework for who is responsible for what. It should also ensure that there are methods for evaluation to make sure that the programs and the policies are put in place and that the funding that is put in place is going to the right people and doing the work it is intended to do.

Finally, the act needs to refer to a larger just transition strategy. It needs to think about the larger complementary measures, not just the legislation itself. As my fellow panellist was saying, that's not necessarily enough. We need to think about this more comprehensively. We need to think about funding mechanisms and economic diversification strategies. We need to make sure there's appropriate training and retraining and reskilling, and then include monitoring and evaluation as well.

The Chair: That takes us to the end of the time.

With that, witnesses, I would like to thank each of you for being here today. Thank you for your understanding as we struggled through a late start and some votes in the middle of our testimony. As I say to all witnesses, if you have any additional thoughts or heard anything that triggered any thoughts, we invite you to send to the committee an additional brief of up to 10 pages. You can go through our clerk if there is anything that you'd like to send.

With that, we'll let you go. Thank you so much for being here today.

Thank you.

Committee members, we have the room and the interpreters until 5:55 p.m. We can suspend and go in camera to start in on the recommendations of the report, if there's agreement to do that.

To the witnesses, have a great afternoon.

[Proceedings continue in camera]

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