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# Standing Committee on Natural Resources

EVIDENCE

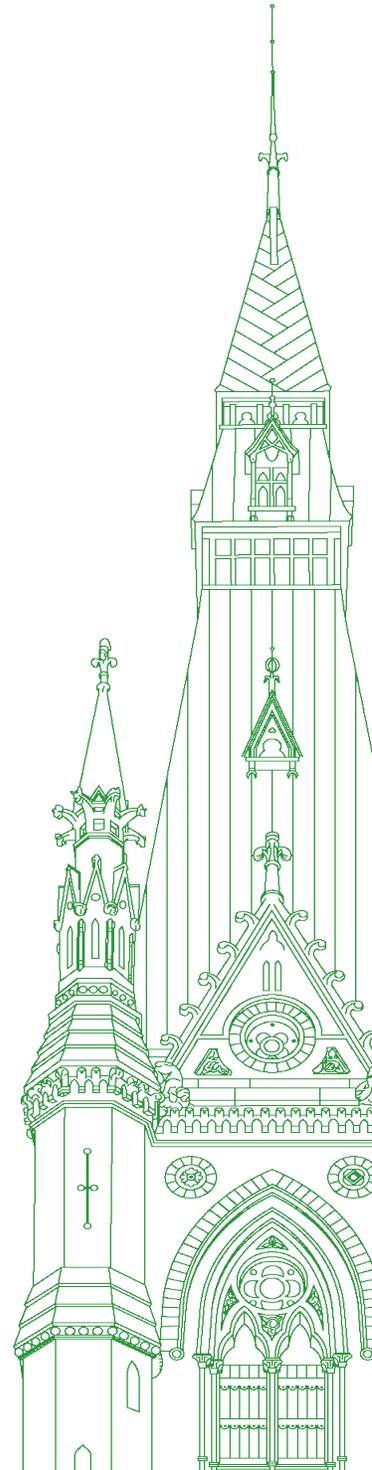
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Wednesday, May 18, 2022

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Chair: Mr. John Aldag





## Standing Committee on Natural Resources

Wednesday, May 18, 2022

• (1715)  
[English]

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

Welcome to meeting number of 23 of the House of Commons Standing Committee on Natural Resources.

**Mr. Greg McLean (Calgary Centre, CPC):** I have a point of order, Mr. Chair.

Where is the minister? I thought ministers were supposed to be here in person when they're called. Isn't that the protocol?

**The Chair:** It is not that I'm aware of. I think they can appear. We have the minister with us until six o'clock.

**Mr. Greg McLean:** Okay.

**The Chair:** Anyway, I have an official piece here, and then we'll get right into it, if everybody's willing.

The committee meeting today is to hear from the Minister of Natural Resources and officials. We have nine officials joining us remotely, so thank you to each of the departmental representatives who are here with us.

Pursuant to Standing Order 81(4), we're considering the main estimates 2022-23, vote 1 under Atomic Energy of Canada Limited; vote 1 under Canadian Energy Regulator; vote 1 under Canadian Nuclear Safety Commission; votes 1, 5 and 10 under Department of Natural Resources; and vote 1 under Northern Pipeline Agency.

We are all well aware of committee proceedings and processes, so I'm going to skip through all that stuff. If you're at the table, you can take your mask off. If you're not, please wear it unless actively eating or drinking. Direct your comments through the chair.

We're going to try to get through a couple of rounds. The minister has a hard departure time of six p.m. The officials have said they can stay beyond that if necessary.

Members, we have three hours from the time we started but not beyond nine o'clock. The plan is to go through the main estimates. There's a motion after that we need to discuss about reporting the main estimates back to the House. The intent, then, is to go in camera to, hopefully, get as far into or even finish the emissions reduction fund this evening. That's the lay of the land.

With that, Minister, if you're ready to go, I will turn the clock over to you. You have five minutes for your opening statement. Then we'll get into the first round of four questions of six minutes each, and we'll see where we are at that point.

I'll turn it over to you, Minister. I look forward to your opening comments.

**Hon. Jonathan Wilkinson (Minister of Natural Resources):** Thank you very much.

I am pleased to join you to discuss the main estimates. I am joining you from the traditional, ancestral and unceded territories of the Squamish, the Musqueam and the Tsleil-Waututh first nations.

As folks here will know very well, the effects of the brutal Russian invasion of Ukraine extend well beyond Europe. The invasion has had a destabilizing impact on global energy markets. Europe has asked us for help. In response, Canada has been working to stabilize energy markets and to develop long-term solutions with our allies. In fact, I will be in Berlin for the G7 environment, climate and energy ministers' meeting next week as part of that ongoing engagement.

Likewise, when I addressed the U.S. Senate Committee on Energy and Natural Resources yesterday, I spoke about the need to enhance continental energy security while building future-facing value chains, including those for critical minerals and hydrogen. Like our European allies, many of our partners south of the border are looking to us to supply stable and clean electricity and clean fuel solutions as we look to address energy security and climate change issues concurrently.

• (1720)

[Translation]

Acting to secure our energy supply while addressing the climate crisis is an example of how we are walking and chewing gum at the same time.

[English]

Going forward, energy security is increasingly tied to clean energy. Autocrats will not be able to destabilize our energy markets when we are supplied by clean fuels, renewables and effective storage. As the President of the European Commission Ursula von der Leyen stated earlier this month, it is our switch to renewables and hydrogen that will make us truly independent. We have to accelerate the green transition.

I would also like to underline the role of hydrocarbons as we move forward. Certainly we must remember that this is a transition that will take place over time. Second, we must ensure that we appropriately consider how we can play a constructive role regarding the displacement of Russian oil and gas in the short to medium term. Finally, we need to recognize that in a net-zero 2050 world, the world will still be using about one-quarter of current oil production and about one-half of current gas production in non-combustion applications—like lubricants, waxes, etc. This means that countries and projects that can produce oil and gas with virtually zero production emissions will be the last producers standing, underlining once again the importance of emissions reduction.

[*Translation*]

It is in this context that we are asking Parliament to review and approve total budgetary authorities of just over \$3.6 billion. This is an increase of \$1.37 billion, or 61%, from last year's main estimates.

The key items contained in this request will help unlock Canada's tremendous capacity to innovate, and build towards sustainable and long-term prosperity as we move towards a net-zero future.

[*English*]

Whether it is critical minerals, forestry, nuclear investment, renewable energy, energy efficiency, home retrofits, grid modernization, zero-emission vehicle infrastructure or carbon removal technology, you will see in the investments contained in these main estimates a common thread.

By supporting Canadians' tremendous capacity to innovate and seize opportunities, we are acting to ensure a prosperous energy transition that will deliver sustainable jobs, the advancement of indigenous reconciliation and increased economic opportunities across sectors and regions.

The opportunities from a sectoral perspective will come from new products that enable a low-carbon future—such as electric cars, battery technology, critical minerals, hydrogen and other clean technologies—and new uses for old products, as we are seeing with the bitumen beyond combustion program in Alberta.

[*Translation*]

This includes our existing reliable hydroelectricity from provinces like Quebec. It also includes our growing critical minerals industry—which is vital to the global shift towards electrification and clean energy.

[*English*]

At the same time, innovations in Canadian hydrogen technology are being spurred by our investments: for example, the potential in Newfoundland and Labrador to enhance energy security by exporting clean hydrogen to Europe and down the U.S. eastern seaboard.

Together, we are delivering for Canadians by fighting climate change, revitalizing ecosystems and building a prosperous future with abundant clean and secure energy.

As I mentioned at the outset, these priorities are intertwined. Taking well-considered and decisive action now can drive Canadi-

an energy security, clean growth and prosperity for decades to come. That understanding guides our government's investments in Canadians' future.

[*Translation*]

I would be happy to elaborate on these pieces, and I look forward to your questions.

[*English*]

Thank you very much for the opportunity to be with you today.

**The Chair:** Thank you very much. That's right on the five minutes.

For the six minutes, if we keep it tight, we'll be able to get through all four rounds with the minister, and then we'll do one round with the officials, which should be 15 minutes, and we'll see where we are at that point.

Mr. McLean, you're up first, with six minutes.

**Mr. Greg McLean:** Thank you, Mr. Chair.

Minister, first of all, thank you for being here.

I notice that you've become more engaged on this file since the Russian invasion of Ukraine and understand a little more clearly the importance of energy security, but let me say, is it more clear to you now that America's energy demands are better served by a reliable security partner with world-leading, transparent environmental production?

• (1725)

**Hon. Jonathan Wilkinson:** Thank you, Mr. McLean.

Certainly, I have always been engaged on this file. We have been working very hard to ensure that we are developing a clean and prosperous future for Canadians that includes abundant and secure energy sources.

We've certainly been working very hard with the Americans—our American friends—on that over the course of the past number of months. In fact, I was in Washington last week to meet with the Department of Energy, with Secretary Granholm and with officials at the White House, on exactly that.

Certainly, we're working in the short term around oil and gas, but we're also working on issues around hydrogen and critical minerals, etc., going forward.

**Mr. Greg McLean:** Thank you.

Let's get back to some of the other issues here. The shutdown of Enbridge Line 5—540,000 barrels per day of critical energy supply for the continent—would exacerbate North America's energy supply chains and raise the cost of energy in both our countries.

In October of last year, your government finally got serious on Canada's initiatives and ex-minister Garneau invoked the terms of the transit pipeline treaty, making Canada's position crystal clear. Now, the same interest groups behind that lawsuit are introducing similar lawfare activities through other legal channels.

Minister, these are interest groups that your government has played pussyfoot with for far too long. How long will it take in the legal action for you to make Canada's position crystal clear again?

**Hon. Jonathan Wilkinson:** I would say our position is very much crystal clear.

We've filed an amicus brief in the Michigan statement. We've invoked the treaty. We have a process going on with the Department of State to try to find a resolution. I raised this at the White House. I raised it with the Secretary of Energy, and I raised it yesterday with the U.S. Senate Committee on Energy and Natural Resources. I don't think we can be any more clear.

On this one, I actually think that you and I agree.

**Mr. Greg McLean:** We do agree that we should be crystal clear on it.

I want you to make sure that the United States understands that this transgression, this legal action, will also invoke the transit pipeline treaty between our two nations so that it is dealt with very seriously by the United States government, not by any state government. Is that correct?

**Hon. Jonathan Wilkinson:** I think the United States understands how crystal clear we are. As I say, I raised it when I was in the White House, and I will tell you that I talk very frequently with the CEO of the proponent, of the pipeline company, and ensure that we are working in lockstep.

**Mr. Greg McLean:** Three weeks ago, the commissioner of the environment delivered five reports to Parliament that were damning for your government. Your so-called “just transition” is nothing but words, and you're spending billions of dollars to accomplish virtually nothing.

Comparable to the collapse of the northern cod fishery in the 1990s or the coal phase-out, when Canadian workers were all but abandoned, is it realistic to say that your government confuses spending money with obtaining results for Canadians?

**Hon. Jonathan Wilkinson:** Not at all. In fact, there's a lot of work going on for the just transition.

First of all, for the coal phase-out, there was about \$185 million committed to that. As you will know, most of those plants are not phasing out until 2030, so there's lots of time to ensure we're doing the appropriate work.

We launched consultations on just transition legislation. We're launching regional economic tables to build on regional strengths in terms of what those opportunities in a low-carbon future are going

to be; i.e., what are you going to transition to? That is exactly what is ongoing. It's absolutely on track.

**Mr. Greg McLean:** That's not at all what the environment commissioner said. He went further in analyzing the role of hydrogen in Canada's GHG emissions program. He said that Environment Canada and National Revenue Canada—your department—differ on the reductions associated with hydrogen's advancement: 15 megatonnes versus 45 megatonnes. That's a factor of three, we'll say.

He said, “the assumptions in the federal hydrogen strategy are overly optimistic and compromise the credibility of the expected emission reductions.”

Is it safe to say, as we've seen in your government's ability to meet targets to date, that your numbers are just guesses?

**Hon. Jonathan Wilkinson:** No, it's not. In fact, I would say to you that the numbers Environment Canada had were focused on one application. They were a conservative estimate about what could be accomplished. That was incorporated into the emissions reduction plan.

The Natural Resources Canada figures were what's called the full potential. You, as a businessperson, would understand what the full potential is. You look at everything that could possibly go right and what the absolute most is that you could do. That is essentially setting an orientation.

We certainly didn't include that in the emissions reduction plan. It's exactly the way a private business would run its business.

**Mr. Greg McLean:** It's actually not.

He went on—

**Hon. Jonathan Wilkinson:** Actually, it is.

**Mr. Greg McLean:** —to say, “Canada has consistently failed to meet its climate targets despite numerous plans and commitments.”

This is something your government has failed at repeatedly, as far as hitting targets are concerned. Setting targets is one thing, but hitting targets is a result, Minister, that your government has not delivered at this point in time.

● (1730)

**Hon. Jonathan Wilkinson:** That's not true, Mr. McLean.

The target we are aspiring toward, the 2030 target—

**Mr. Greg McLean:** That is true and I think you know it.

**Hon. Jonathan Wilkinson:** I'm not sure if—

**Mr. Greg McLean:** It's my turn to ask questions here, Minister. Can I ask a final question?

**Hon. Jonathan Wilkinson:** It has not reached 2030—

**Mr. Greg McLean:** I have about half a minute left here, Minister. I have a question for you.

**Hon. Jonathan Wilkinson:** Canada actually has the most detailed reduction plan in the world.

**Mr. Greg McLean:** You haven't hit a target yet.

**The Chair:** Talk one at a time, please.

Mr. McLean, I'll go to you to finish off here.

**Mr. Greg McLean:** Minister, the final question I have is that you're finally on board with getting some trees planted in Canada. A commitment your government made three years ago was to plant two billion trees. You're planning to plant the first 30 million trees this year. I tell you, I've watched your plan step out two more years to plant two billion, but you're not going to meet that target, either. You and I both know it.

What's taking so long? Why are you so bad at making plans and meeting the objectives of those plans you announced to the Canadian public?

**Hon. Jonathan Wilkinson:** I've never understood why these kinds of discussions have to be so confrontational.

You know as well as anybody that growing seedlings takes two or three years. The 30 million trees that we will have planted this year were the product of going out and finding excess trees. We have been planting those seedlings through the various agencies that exist. We've been very public that the numbers are going to ramp up over the next number of years. We're very comfortable that we're on track to get to two billion trees.

**The Chair:** With that, we're out of time for our first one.

We're going to go now to Mr. Chahal for his first six minutes.

**Mr. George Chahal (Calgary Skyview, Lib.):** Thank you for appearing before the committee today, Minister, and for answering questions.

In my home riding of Calgary Skyview, a common question constituents ask is about home retrofitting and the home energy evaluation grants that the government offers. We know that home retrofits are an effective way to conserve energy. They provide immense benefits and are important in our fight against climate change.

The government has introduced various retrofitting programs in the past that have helped households make their homes environmentally friendly. Can you talk about the government's policies and strategy going forward to make sure that households have sufficient resources available to them to retrofit their homes?

**Hon. Jonathan Wilkinson:** Thank you very much for the question.

As you know very well, retrofitting homes is one of the fastest and most inexpensive ways to reduce greenhouse gas emissions, to save homeowners money on their energy bills, to create good jobs in communities and support growth of Canada's green supply chain. The government has invested in the Canada greener homes grant program, which will provide Canadians grants of up to \$5,000 for energy efficiency retrofits. Additionally, the government will be further supporting Canadians by providing access to interest-free loans through CMHC.

Budget 2022 also made a number of investments to accelerate the pace of deep retrofits in Canada, putting a focus on low-income

affordable housing. An example is the \$200 million that we are allocating to the deep retrofit accelerator. We are also developing a green building strategy that will include code reform and a number of other things to ensure that we are moving forward on a path to net zero.

**Mr. George Chahal:** Thank you for the answer, Minister.

I come from Alberta. The province's economy is highly dependent on emission-heavy industries, including the oil and gas industry and the mining industry. CCUS technology offers a practical and effective solution to curb emissions in these industries. It will be an important tool in our fight against climate change, and it is important that the government invests in it.

What specific steps is the government taking to promote the use of the technology, especially in the oil and gas industry? What role do you think CCUS will play during the energy transition?

**Hon. Jonathan Wilkinson:** Certainly, clean technology and innovation through CCUS, biofuels, hydrogen and a range of other things are going to play increasingly important roles in reducing emissions as we move through this 30-year transition towards a net-zero future.

While a technology like CCUS is not a climate plan in and of itself, it is an important tool that can and should be used to help us reach our emissions reduction targets. That is something that the IPCC agrees with. In fact, in its April statement it said, "The deployment of CDR to counterbalance hard-to-abate residual emissions is unavoidable if net zero CO<sub>2</sub> or GHG emissions are to be achieved."

To promote innovation, NRCan funds programs like the energy innovation program and the emissions reduction fund that supported CCUS projects, many of which were located in Alberta. Also of note in the budget 2022 investments is the CCUS tax credit that supports the implementation of CCUS projects more generally.

**Mr. George Chahal:** Thank you.

I'm glad you mentioned hydrogen. The Canadian hydrogen convention was held in Edmonton. The convention demonstrated the ability and potential of hydrogen as an alternative fuel that can replace conventional energy sources. It offers many benefits and would be an important driver of the energy transition.

Considering these factors, what is the government currently doing to attract investments in hydrogen? What more can be done to make sure that Canada does not miss out on the immense opportunities offered by hydrogen?

• (1735)

**Hon. Jonathan Wilkinson:** Hydrogen certainly represents an important opportunity for Canada and certainly for regional economies across this country. The Edmonton conference was very exciting because there were thousands of people there engaged in this conversation about the commercialization of hydrogen.

Hydrogen is an energy carrier that can be used as a non-emitting fuel in a whole range of applications, such as transportation fuel, electricity generation, heating and a range of industrial uses. Over the past three years, NRCan has been engaging with stakeholder groups, provincial and territorial governments and indigenous partners on a hydrogen strategy that will set us on a path to meet our climate change goals. It will position Canada as a world leader in the use and the export of clean hydrogen.

We have been working through the clean fuels fund, the Canada Infrastructure Bank and many others. It is certainly a critical part of the regional economic discussions we are having right now.

**Mr. George Chahal:** Minister, Alberta and the Prairies are home to many important, critical mineral operations. With the demand for these minerals increasing exponentially because of the transformation, many of these minerals are essential for the manufacturing of clean technologies, including electric batteries. Canada can use its advantage and expertise in mining to aid the energy transition.

Minister, what steps is the government taking to ensure that we leverage our competitive advantage and expand the mining of the critical minerals that are in high demand right now?

**Hon. Jonathan Wilkinson:** You've very rightly pointed out the enormous generational economic opportunity that is represented by critical minerals. The global economy is becoming increasingly dependent on critical minerals and metals for clean technologies, including electric batteries in electric vehicles as well as defence and security-rated applications. There is no energy transition without the much-expanded production of critical minerals.

We made investments in 2021 in creating the critical minerals centre of excellence and to support targeted research and development in processing and battery precursors. We ramped that up in budget 2022 with a proposed \$3.8 billion over eight years to support Canada's critical minerals strategy. This will increase business activity for critical minerals in Canada, enabling new green and transformative mining and processing technologies to enhance Canada's innovative capacity. We are focused on an end-to-end strategy from mines through mobility and recycling.

I certainly would note again that, through these regional economic tables, we are engaging with many provinces and territories that have an interest in this file.

**Mr. George Chahal:** Thank you.

[Translation]

**The Chair:** Go ahead, Mr. Simard. You have six minutes.

**Mr. Mario Simard (Jonquière, BQ):** Thank you, Mr. Chair.

Thank you for being here, Minister.

Not a single day goes by when I do not receive emails or messages on social media from constituents about the price of gas, which is above two dollars a litre.

I have a very simple question for you.

We all know the refining margins, and we can talk about that a bit later. Do you think it's obscene, then, that the government is supporting multi-billion-dollar oil and gas companies as middle-class people watch their hard-earned money go right into the pockets of those multi-billion-dollar companies?

**Hon. Jonathan Wilkinson:** Thank you, Mr. Simard.

It is, of course, very important for the government to be concerned about the factors that impact affordability. As you know, however, the price of oil is set by the global market and has risen because of Russia's invasion of Ukraine and the subsequent war.

**Mr. Mario Simard:** Forgive me, but I don't have a lot of time. I understand all that, but here's what I want to ask you about.

I see here, in the main estimates, that \$384 million is being requested for the emissions reduction fund, which has been very problematic. Just think of what the commissioner of the environment and sustainable development had to say about it. This is \$384 million for big oil companies.

Éric Pineault, a professor and economist at the Institute of Environmental Sciences, told the committee that the program may have been appropriate in 2021, during the crisis, when oil was trading at \$64 a barrel. Today, however, oil is trading at double that, in the neighbourhood of \$128 a barrel.

I want to talk about refining margins, Minister. In 2008, the refining margin was 9.4¢. Today, it's 48.2¢. What that means is that oil companies are lining their pockets at the expense of the middle class.

Do you understand why people in the middle class would be upset when they see that you are handing over \$384 million to the oil companies just so they can reduce their emissions?

• (1740)

**Hon. Jonathan Wilkinson:** Thank you, Mr. Simard.

Yes, the emissions reduction fund was a very important program during the COVID-19 pandemic, and we made changes to the program to ensure that it focuses on eliminating emissions that are generated in addition—

**Mr. Mario Simard:** I understand the purpose of the program.

**Hon. Jonathan Wilkinson:** —to what is required under the regulations.

**Mr. Mario Simard:** I understand all that. What I am telling you is that multi-billion-dollar oil companies don't need public funds to do what they should be doing, in other words, reducing their emissions.

I'm going to give you a third chance.

In the budget, \$2.6 billion has been earmarked for carbon capture. I see that you are going to put \$384 million towards the emissions reduction fund. Among the companies that will benefit are Suncor, which reported \$2.95 billion in net earnings last quarter; Imperial oil, whose profits hit a 30-year high of \$1.17 billion; TC Energy, which turned a profit of \$1.1 billion; and Chevron, which managed to quadruple profits last quarter.

You are going to hand over an obscene amount of public funds to those companies, when the middle-class is being bled dry, when truckers, taxi drivers and farmers are being bled dry. It is unlikely that any of them will be able to take vacations this summer as they watch their profits disappear. Meanwhile, you are giving public money to multi-billion-dollar companies.

Can you see how that's obscene?

**Hon. Jonathan Wilkinson:** Thank you again, Mr. Simard.

As I've said a few times, it is important for the Government of Canada, just as it is for the Quebec government, to work with all high-emitting sectors to reduce their emissions.

We are working with the aluminum sector in Quebec, the steel sector in Ontario, and the oil and gas sector in Alberta to make sure we reach our greenhouse gas reduction targets and fight climate change.

**Mr. Mario Simard:** I like you a lot, Mr. Wilkinson, but that's not an answer.

It's completely obscene. You brought up aluminum, but the money going to support carbon-neutral aluminum is but a speck of dust compared with what goes to the oil and gas sector.

The very same week that I was getting calls from people telling me that they had to cancel their vacation plans because it was costing them an exorbitant amount in gas just to get to work and back, I found out that a \$10-billion loan guarantee had been approved to support a pipeline and that \$2.6 billion had been invested in carbon capture. Both of those investments are solely in support of the oil and gas sector. In these supplementary estimates, \$384 million is being allocated. If you add all that up and tell regular folks about it, why, it's enough to send them into apoplectic shock.

Shouldn't there be something preventing multi-billion-dollar oil and gas companies from taking a cut of public funds when everyone has to sacrifice and make an effort, and everyone is being hit hard by high gas prices?

Aren't you thinking about ways to end the financial support that goes to these greedy companies hungry for public money?

**Hon. Jonathan Wilkinson:** Thank you for your question.

I think you're getting some things mixed up. It's very important that we work with our international partners to ensure stability in the oil and gas sector, and bring down oil and gas prices. We also have to focus our efforts on making life affordable for Canadians.

It is nevertheless equally important for the government to work with high-emitting industries to make sure we reach our greenhouse gas reduction targets.

• (1745)

[*English*]

**The Chair:** Great. Thank you.

We'll now go right to Mr. Angus for his six minutes of questions.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Thank you so much.

It's a pleasure to have you back, Minister. You're always welcome at our committee. We've had many discussions, you and I, about the need to get this right. That's why I asked to be on this committee. Getting it wrong, to me, is not an option.

Professor Kevin Anderson, who prepared the Tyndall Centre report on the climate crisis, testified at our committee. He stated that “for a 50% chance” of meeting the 1.5°C, Canada along with other wealthy oil and gas producers must cut production by “74% by 2030”—that's seven years from now—“with complete phase-out by 2034.”

Based on your conversations with your staff in your department, would you say he's right or is he exaggerating?

**Hon. Jonathan Wilkinson:** I would say that the link is between production and demand. We have to actually reduce demand. Cutting production in Canada is not going to do anything if it can be supplied by other countries. We have to cut demand, which is about deploying zero-emission vehicle technology in Canada and the United States and around the world. It's about reducing the need we have for hydrocarbons.

**Mr. Charlie Angus:** Let me try that again. The IPCC's working group report refers to a “code red for humanity”. It says that the alarm bells are deafening and the evidence is irrefutable. Any further delay will close a brief and rapidly closing window to secure a livable future for all.

What is that “window” that we have to make this happen?

**Hon. Jonathan Wilkinson:** I think the IPCC's been pretty clear that we have to achieve the net zero, the 1.5°C target, by 2050. Canada's plan and Canada's target for 2030 is on track for that. I will tell you that we are on track for that plan. I think what has changed recently with the IPCC is that they now believe that even if you actually are targeting the 1.5°C, or you're targeting net zero, there will be a slight overshoot. The way you get back to 1.5°C is actually through the deployment of carbon removal technology. That's what they said recently.

**Mr. Charlie Angus:** I didn't quite read that, but I'll give you that one.

**Hon. Jonathan Wilkinson:** I can quote it for you.

**Mr. Charlie Angus:** That would be good, but I was reading the budget, and I really don't see a sense of urgency at all. I see a lot of aspirational talk.

There's going to be a new tax credit, and they quote that the Department of Finance will be engaging “with experts to establish” this. On “Expanding the Low Carbon Economy”, it says, “Greater collaboration on climate action between all orders of government”. On “Building Capacity to Support Green Procurement”, it says that Public Services and Procurement Canada “will develop new tools, guidelines and targets”. I mean, this would be a great budget in 2004—2006 was in the Harper years, and they weren't interested in the climate—or budget 2015 or budget 2019.

It's either a code red for humanity or it's business as usual. Why am I seeing aspirational language? I'm not seeing, “Yes, this is a code red and there's a rapidly closing window.” I don't hear a sense of a rapidly closing window from you. I see lots of, “Yes, we're going to have consultations, we're going to meet experts, we're going to talk with people, and we're going to get to this better future.”

Why is it not telling us exactly where those investments are, how soon and what we're going to do to meet this? Either it's an emergency, or it's not true.

**Hon. Jonathan Wilkinson:** Mr. Angus, I actually agree with you in the sense of the urgency. I do think we are going to need to learn to do things differently, as a government at the federal level and at other levels of government, in order to try to find ways to do things more quickly than perhaps we've been able to do in the past.

The one caution I would make to you is that we can't ignore our constitutional obligations with respect to consulting with indigenous peoples. We have to respect the constitutional division of powers that exists between federal and provincial governments, which does require consultations, sometimes. I don't disagree with you that we have to do that with urgency.

**Mr. Charlie Angus:** No offence, but when Liberals talk consultations, that tells me this is getting booted down the road. I'm seeing a code red for humanity.

The one thing I do see that you guys moved with urgency on was when CAPP, the Canadian Association of Petroleum Producers, said it wanted serious investments in carbon capture. I know you guys are telling me how great this is, but this is completely unproven. Four hundred environmentalists and scientists warned against it. In the budget, it's the number one item. It's \$7.1 billion. It's there. Everything else is aspirational. You responded when the oil sector said, give us carbon capture and we'll do our job, but the other elements are still aspirational.

When are we going to see that \$7.1 billion in hard so that we can say to energy workers and their families that there is a new economy coming, and here it is?

• (1750)

**Hon. Jonathan Wilkinson:** I would say, first of all, the CCUS tax credit was the subject of long consultations before it was actually implemented. The second is the IPCC—

**Mr. Charlie Angus:** I know, absolutely. Fair play. You had 6,800 meetings with big oil, so you certainly had lots of consultations on it.

**Hon. Jonathan Wilkinson:** Let me finish, please. The IPCC has said that there is no pathway to net zero without carbon capture and sequestration, so it is a critical part of any climate plan.

**Mr. Charlie Angus:** But it's your only plan.

**Hon. Jonathan Wilkinson:** Yes, of course, there needs to be a plan with respect to how we're going to ensure workers in communities are going to be supported through the energy transition. We are working on that right now.

**Mr. Charlie Angus:** Okay, that's interesting, because Dr. Tricia Williams gave us a mind-blowing statement the other night when we were talking about this transition. We've heard from the Alberta Federation of Labour. We've heard from the Canadian Labour Congress. We've heard from Iron and Earth, who say their workers don't trust that there is a plan. She said, “Within Canada, we actually know very little thus far about how specific regions and sectors may be affected by energy transitions. In terms of labour and skills, that analysis simply hasn't been done”.

How do we go back and tell the workers who are coming here that there is a plan for a just transition, when you haven't even drilled down to tell us what this new economy's going to look like and where these new jobs are? I do not see in this budget the money that needs to be put in place to ensure that we have a green energy economy.

**Hon. Jonathan Wilkinson:** I agree with you again, entirely, Mr. Angus. We need to paint a picture of what those jobs of the future are going to look like. In three weeks from now we will be kicking off regional tables that are going to do exactly that.

**Mr. Charlie Angus:** Thank you very much.

**The Chair:** Thank you.

Folks, we're at 10 minutes before six.

Minister, I hate to let you go. We're not going to get through another full round, but would you be in agreement with one question per side, for no more than 90 seconds?

**Mr. Greg McLean:** Would that be about two and a half minutes per side?

**The Chair:** I'll try. If we stick to the two and a half minutes. I know the minister has a hard exit at six o'clock.

**Mr. Larry Maguire (Brandon—Souris, CPC):** How about three, three, two, two?

**The Chair:** If you want to start, Mr. Maguire, I'll give you two and a half minutes. If you can keep it to two it would give us a bit of room. It always takes time to....

**Mr. Larry Maguire:** I have a quick one here, then. I'll try to get a couple in.

You voted against the Conservative opposition day motion, Mr. Minister, to undertake measures to get Canadian natural gas to be exported to Europe to displace Russian gas. Last week it was reported that your department approached Pieridae to get the proposed Goldboro LNG terminal built in Nova Scotia. The story even quoted the CEO of Pieridae, saying, the federal government might be offering, "regulatory and financial support."

While I applaud this new enthusiasm to get LNG projects built, I still don't understand why you voted against our opposition day motion with this outcome. Is your new position to offer regulatory and financial support to get LNG projects built, given that you have three areas that he said were hurdles that remain? They are first nations reconciliation; new engineering, procurement, construction and commissioning; and achieving needed upgrades to existing pipelines, which is what we were asking for in the first place. Can you just answer that?

**Hon. Jonathan Wilkinson:** Certainly, given the challenges in Europe, Europe has asked us to do what we can to expedite oil. We've announced 300,000 additional barrels of oil by the end of the year and to look at natural gas, but in the context of a liquid natural gas that would transition to hydrogen—you can convert natural gas to hydrogen—as that transition happens in Europe. We have said we would look at doing that.

There's more than one potential project that people have been working on, proponents have been working on. We're talking to all of those folks to see what the impediments would be and to see what could be done to expedite that, but it would have to be done in a manner that is very low emission domestically, and it would be a transition to hydrogen in Germany or elsewhere in the European Union.

**Mr. Larry Maguire:** Thank you. I have one more quick one here.

On the night your government approved Bay du Nord, to cushion the blow to those who wanted the project scrapped, your government announced you'll be introducing even more regulations, which have yet to be fleshed out.

Now that the Alberta Court of Appeal has ruled that Bill C-69 is unconstitutional, how could you possibly move forward with further regulations, without having any certainty before the Supreme Court weighs in?

Will you commit today to not introduce any new regulations until the Supreme Court rules on whether Bill C-69 is unconstitutional?

**Hon. Jonathan Wilkinson:** What the Minister of the Environment said is that we would be putting out policy guidance to try to ensure that people are clear about the hurdles and the metrics that would have to be achieved in order for projects to go ahead. That's just about creating certainty.

The Alberta Court of Appeal issued an opinion. It was not a ruling on the case. It was not declaring it unconstitutional, and we are of the view that there will be a different ruling at the Supreme Court—

• (1755)

**Mr. Larry Maguire:** It said it was unconstitutional.

**Hon. Jonathan Wilkinson:** It will be a different ruling at the Supreme Court, and we are appealing.

**Voices:** Oh, oh!

**The Chair:** We're out of time on that one.

Mr. Sorbara, are you ready to go for two and a half minutes?

We go over to you.

**Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.):** Thank you, Chair.

Welcome, Minister. It's great to see you today.

Minister, could you please provide some details on the CERRC program and the progress of capacity building in indigenous communities since the program was first launched?

What will the additional funding over the coming years be focused towards?

**Hon. Jonathan Wilkinson:** Thank you for the question. It's nice to see you on the committee.

The clean energy for rural and remote communities program is part of NRCan's green infrastructure funding. There are two streams to this program. There is a call for renewable demonstration and deployment projects and a call for capacity-building proposals. The program aims to reduce reliance on diesel in rural and remote communities, many of which are indigenous. Projects funded through this program have and will continue to decrease Canada's carbon footprint, support our climate targets, contribute to healthier communities and provide new opportunities for economic growth.

The project was launched in 2018. It is currently advancing renewable energy and capacity-building projects in 131 communities across the country, such as the Fort Severn First Nation solar project in Ontario.

**Mr. Francesco Sorbara:** Thank you, Minister.

Can I have a quick follow-up, Mr. Chair?

**The Chair:** Go ahead.

**Mr. Francesco Sorbara:** In terms of greening and cleaning our electricity grid, which we are making great progress on, could you provide an update on the smart grid program?

How is increased funding going to drive innovation and create new opportunities? How is our government supporting workers preparing for those opportunities?

**Hon. Jonathan Wilkinson:** Thank you.

The smart grid program is helping to bring cleaner and renewable energy onto a smarter electricity grid by supporting projects up front, in terms of construction costs, and helping to address regulatory and market barriers. It is accelerating the development of smart grids to reduce GHG emissions and generate economic and social benefits.

The program was launched in 2018. It's currently funding 22 projects across the country, like London Hydro's West 5 smart grid project in Ontario, for example. Certainly, I think there's an enormous opportunity to use this kind of technology to help transform our energy system.

**Mr. Francesco Sorbara:** Thank you.

**The Chair:** We're down to the last 10 seconds, so I'm just going to stop it there and go right over to Mr. Simard for his two and a half minutes.

[Translation]

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

Minister, since you're prepared to spend \$2.6 billion of the budget on carbon capture and \$384 million of the budget on the emissions reduction fund—at a time when oil companies are raking in record profits—could it be that you think the oil and gas sector would not be prepared to reduce its omissions without your financial help?

**Hon. Jonathan Wilkinson:** As I've already said a few times, it is very important for us to work with all industrial emitters in the country to help them reduce their emissions.

That's what we did with the steel industry in Ontario and the aluminum industry in Quebec.

**Mr. Mario Simard:** I'll try to make myself clearer.

**Hon. Jonathan Wilkinson:** That is also true for the oil and gas sector in Alberta and Saskatchewan.

**Mr. Mario Simard:** You'll see what I'm getting at.

Your fellow minister Mr. Guilbault said that he wanted to eliminate fossil fuel subsidies by 2023.

That means big oil companies are no longer going to reduce their emissions after 2023, since they will no longer be receiving financial support from the government in the form of carbon capture tax credits and the emissions reduction fund, both of which you put forward. That is my take on the situation.

Don't you see that as money down the drain?

**Hon. Jonathan Wilkinson:** No, I don't, not at all.

Fossil fuel subsidies helped boost oil and gas exploration and production. The investments we are making, however, to reduce greenhouse gas emissions and make sure we reach our climate change targets are not the same as subsidies.

**Mr. Mario Simard:** All right. That is news.

**Hon. Jonathan Wilkinson:** No, it's not news.

That's exactly what I have been saying for years.

**Mr. Mario Simard:** It's news to Mr. Guilbeault, though.

I'll be sure to pass on the message.

[English]

**The Chair:** We're out of time there. Thank you.

Mr. Angus, it's over to you for your last two and a half minutes, and then we'll let the minister go.

● (1800)

**Mr. Charlie Angus:** Thank you, Chair.

Thank you, Minister.

The Canada Energy Regulator was predicting an increase in oil production of 1.2 million barrel a day. We'd probably get about 800,000 barrels from TMX and then Bay du Nord is 300,000 barrels. That would bring us close to what the CER is predicting, but the CER made that prediction before the Ukraine war, and you stated that the Bay du Nord production is helping alleviate the pressures because of the Putin situation in Ukraine.

Are we expecting that we're going to have more production above the 1.2 million barrels a day that was predicted by CER?

**Hon. Jonathan Wilkinson:** No, I wouldn't say that. First of all, a lot of the oil that will flow through the Trans Mountain pipeline is not incremental. It is taking oil that was going by rail and putting it into a pipeline. Second, if you look at the average emissions threshold for various projects, Bay du Nord is close to zero. It's 0.2 megatonnes in total. If you look at the profile, it's far below it.

**Mr. Charlie Angus:** Yes, but you're still burning it. Let's talk about oil burning.

**Hon. Jonathan Wilkinson:** There are production emissions and consumption emissions. That's right. They're still below the numbers the CER gave.

**Mr. Charlie Angus:** They predicted 1.2 million, and then when they were asked to sort of do a redraw analysis based on your government's plan for a greener future, they predicted that the level of oil production in Canada in 2050 will be the same level as in 2019.

Would you say that's on track or did they read your plans wrong?

**Hon. Jonathan Wilkinson:** No, I wouldn't say that. As you know, subsequent to that analysis we actually asked the CER to go back and do a 1.5°C scenario in the same way the IEA has done a 1.5°C degree scenario. If you look at the 1.5°C degree scenario that the International Energy Agency has put out, you would expect that about a quarter of world demand would continue to exist in 2050 versus what exists today. It doesn't tell you where it comes from.

**Mr. Charlie Angus:** I know, but the IEA says no new fossil fuel production in order to meet 1.5°C. Is that something you'd agree with based on IEA?

**Hon. Jonathan Wilkinson:** What drives the IEA's model, as you would know, is demand and what they expect will be demand for combustion, which actually goes away by 2050.

**Mr. Charlie Angus:** No, they weren't talking about demand. They were talking about the climate crisis in order to meet 1.5°C. They weren't talking about demand. They were saying we can't have any new fossil fuel projects. Are you agreeing with the IEA then on that position?

**Hon. Jonathan Wilkinson:** They are saying that you have to be in a position by 2050 of not combusting fossil fuels, and that the fossil fuels you continue to use for non-combustion applications have to have virtually zero production emissions.

**The Chair:** With that, we're out of time.

Minister, thank you so much. I know you need to drop off now for your next commitment, but it's always a pleasure to see you. We are anticipating having you back here in two weeks. On June 1, we will be seeing you again hopefully, subject to confirmation. Thank you so much for making the time today.

**Hon. Jonathan Wilkinson:** Thank you.

**The Chair:** For the officials, we're hoping to be able to keep you for 15 minutes, for a five-minute question, a five-minute question, and then two two-and-a-half-minute questions.

Mr. Hannaford, I know you have eight of your team with you. Instead of taking up time to introduce everybody, I think we have a list of who is here. If you want to direct the questions to any of your team, please feel free to do that.

Thank you to all of the officials for waiting with us today as we got through votes and a late start and a bit of a late end. We appreciate it.

Right now we're going to go to our first five minutes. Mr. Maguire is going to take that.

With that, Mr. Maguire, the clock is yours.

**Mr. Larry Maguire:** Thank you.

Thanks to all of the members from the department who are staying.

Mr. Hannaford, I want to thank the officials from the Canadian Nuclear Safety Commission for meeting with me yesterday. They were courteous and very knowledgeable, but I was troubled to find out that the letter I sent to you, which included the U.S. director of national intelligence's preliminary assessment on UAP, including the legislation and a list of the UAP sightings near Canadian nuclear facilities, was not shared with the director general who is in charge of the security of safeguards.

Why didn't you share that information with your officials?

**Mr. John Hannaford (Deputy Minister, Department of Natural Resources):** Thank you very much, Mr. Chair.

I should say at the outset that obviously nuclear safety is one of the critical aspects of the work of CNSC and of my department and is something that we do take very seriously. Following on your question at our last appearance, we did receive your letter, and I do

apologize. We're still tracking down precisely what happened, but the information was not provided to CNSC, as you say.

I've now had several conversations, though, with my colleagues within the department and with the president of CNSC. I can assure you that this is something that both organizations are fully apprised of. As you note in your letter, this is a matter of importance.

• (1805)

**Mr. Larry Maguire:** I know that security was involved. That's why I was asking them the questions and why we gave you the information over a month ago.

Are you aware that your department has no standardized reporting process for licensees to report either UAP or drones near their facilities, nor is there any formal investigative guidelines to determine the origin and intent? Are you aware of that?

**Mr. John Hannaford:** My understanding is that we obviously keep under surveillance the facilities that are licensed under CNSC. CNSC also maintains fairly strict protocols with respect to any overflights or any potential risks to the security of the facilities.

In the spring of 2021, CNSC was advised of a request to fly a drone over a nuclear facility. That request was denied, and the requester complied. There are examples of the application of the protocol that it continues to be a matter of vigilance for the CNSC.

**Mr. Larry Maguire:** But there's no standardized process.

I called for a whole-of-government approach to standardize the collection of reports to analyze data and suggested that it be led by the government's chief science adviser. If she accepts that request, will you commit that your department will fully co-operate with any information?

**Mr. John Hannaford:** We're always prepared to work with the chief science adviser and with colleagues across government.

**Mr. Larry Maguire:** Are you aware that your officials from the Canadian Nuclear Safety Commission know about UAP sightings near nuclear facilities?

**Mr. John Hannaford:** I am not advised of any sightings of UAP around facilities. What I have been advised is that we have response protocols that include high-security site licences that have contingency plans to mitigate intrusions but may require the assistance of off-site response forces to interject drone intrusions.

**Mr. Larry Maguire:** You're not aware of the ones that they know about.

At the last meeting, you said you would take my request under advisement for your department to reach out to the American Nuclear Regulatory Commission to start this important conversation in how they are drafting a standardized reporting system to report and collect data on UAP near their facilities. Now that Congress is taking this seriously, will you commit today to direct your officials to start that conversation with the American Nuclear Regulatory Commission?

**Mr. John Hannaford:** My understanding is that it would be a matter for the CNSC. I did speak to the CNSC president this morning and understand that they are planning to have further conversations with their American counterparts. They are at arm's-length, but that is my understanding as to what their intentions are.

**Mr. Larry Maguire:** Lastly, to reduce the stigma and to take this issue seriously, will you commit to issue a directive to your officials to proactively reach out to all nuclear licensees to ask their employees and security officials to ensure that all drone and UAP incidents are properly reported?

**Mr. John Hannaford:** Again, we will follow up with CNSC to see what is possible with respect to those sorts of communications, but I can repeat that this is a matter that we do take seriously and that there are protocols in place with respect to said flights.

**Mr. Larry Maguire:** I don't know if my colleagues have a question they'd like to ask.

**The Chair:** There's about half a minute left, if anybody would like it. If not, we'll just move on.

**Mr. Larry Maguire:** Great. Thank you.

**The Chair:** We will now go to Ms. Lapointe.

You will have five minutes.

**Ms. Viviane Lapointe (Sudbury, Lib.):** Thank you, Chair.

We know Canada has the natural resources to be a leader in critical mineral development, but the challenge of quickly developing an A-to-Z critical minerals ecosystem needs partnership.

As budget 2022 states, we must find new ways of pooling our capabilities across the public sector, the private sector and industries. How will the new Canada growth fund enable these partnerships? How is Canada planning to attract the businesses and investments needed for us to develop a global critical mineral supply chain?

**Mr. John Hannaford:** Thank you very much for the question.

Certainly critical minerals are of enormous strategic importance. That's been recognized in the budget, where \$3.8 billion has been assigned to address our critical minerals strategy. That is a further tranche over and above earlier funding that was reflected in the main estimates, which will allow for the creation of a centre of excellence for critical minerals. The centre of excellence will be the centrepiece in establishing and elaborating our strategy with respect to such minerals.

As the honourable member says, what will be critical here is focusing our efforts where we can in order to support Canadian supply chains and the supply chains of our allies and work very closely with those allies, with private sector and with indigenous communities to ensure that the development of these resources is done in a responsible way and in a way that allows for indigenous reconcilia-

tion and self-determination. That's why part of the funding includes our indigenous partnerships program and funding for the indigenous partnerships office.

We also need to be working very closely with allies and with industry groups as this policy evolves.

Thank you.

• (1810)

**Ms. Viviane Lapointe:** On the subject of critical minerals, the budget proposes up to \$3.8 billion over eight years to implement Canada's critical minerals strategy. Can you expand on what is covered under that \$3.8 billion?

**Mr. John Hannaford:** Thank you very much for the question.

As I mentioned, part of that funding does relate to indigenous reconciliation. A substantial amount will relate to infrastructure spending, as access to the areas where these minerals will be developed is of real importance. In terms of research and development, there's a scientific component to all of this. The funding is looking at the development of the resources itself, and also the development of the supply chain, processing and other applications as these resources are refined.

**Ms. Viviane Lapointe:** Through the main estimates funding for 2022-23, NRCan is receiving \$9.6 million for the youth employment and skills strategy program.

How is NRCan planning to invest that funding into the YESS program? Specifically, I would like to know how NRCan will ensure opportunities for indigenous and northern youth.

**Mr. John Hannaford:** It's a very important part of our overall policy suite that we look at the development of not only the resources that exist in Canada but also the people. That is critically important with respect to our relationship with the indigenous communities.

Youth training is obviously one of the most important areas. We can focus, in part because of the future demands that there will be, on a whole range of different activities. Youth funding is actually an essential piece of our overall programming with respect to this area in development.

**Ms. Viviane Lapointe:** Do you have any statistics on the increased participation so far by indigenous and northern youth?

**Mr. John Hannaford:** I will turn to my colleagues on that.

Frank, can you respond?

**Mr. Frank Des Rosiers (Assistant Deputy Minister, Department of Natural Resources):** In total, we've been able to create about 320 jobs for those youth, thanks to the \$9.6-million investment. Of this, about 60% or so were for under-represented groups. Indigenous youth constitute a very large portion of that.

We do foresee for the coming years that we'll be able to maintain such elevated targets. By the way, this has been noted by ESDC as one of the best in class in the public service.

**Ms. Viviane Lapointe:** Thank you.

[Translation]

**The Chair:** Go ahead, Mr. Simard. You have five minutes.

**Mr. Mario Simard:** Thank you.

I have a brief question for Mr. Hannaford.

Earlier, the minister gave us the definition of an inefficient fossil fuel subsidy—a definition we had never gotten previously. In his response to me, he said that they covered all subsidies that boost oil and gas production and exports. I was very glad to finally have a definition.

Mr. Hannaford, does that mean the emissions reduction fund and, similarly, the \$2.5 billion for carbon capture are subsidies that do not boost or accelerate exports or production?

For the purposes of the department, can they be described as subsidies that do not boost exports or production?

[English]

**Mr. John Hannaford:** Thank you very much for the question.

The emissions reduction fund focuses on addressing such emissions as methane, which are of extraordinary importance when it comes to our overall climate plan, so it is an opportunity to accelerate the reductions of methane. We have taken on, as an objective, a very aggressive methane strategy in reducing methane by 75%.

The emissions reduction fund—

• (1815)

[Translation]

**Mr. Mario Simard:** Forgive me, but I'm going to try to make myself clearer. That's a problem of mine; sometimes I don't make myself clear.

When the committee was studying the emissions reduction fund, we were told repeatedly that production should not be capped; rather, emissions should be. Accordingly, if the emissions reduction fund is not putting a cap on production, it is boosting it.

Would you agree with me that, in reducing the sector's emissions, the fund can boost production?

It is possible to produce more oil and gas with fewer emissions.

[English]

**Mr. John Hannaford:** Thank you very much for the question.

The fund is intended to focus on emissions, and very significant reductions of emissions, which are what we are most concerned about when it comes to contributing to greenhouse gas challenges

overall. Our climate approach has been to focus on providing funding to address infrastructure and technologies to reduce methane emissions.

[Translation]

**Mr. Mario Simard:** Thank you.

I'll wrap up with a quick and easy question.

I see in the main estimates a contribution in support of zero emission vehicle infrastructure. In 2021-22, the contribution was \$34 million.

Do you know how many projects were approved?

[English]

**Mr. John Hannaford:** I'll turn to my colleague Monsieur Labelle.

[Translation]

**Mr. Sébastien Labelle (Director General, Clean Fuels Branch, Department of Natural Resources):** Thank you for your question.

A total of 34,500 projects have been approved. Either the project is under construction or the department has notified the proponent that the project will be funded.

[English]

**The Chair:** We're out of time on that.

Mr. Simard, I apologize. I said five minutes, but this was only two and a half. I gave you a little buffer.

Mr. Angus, I'll give you a bit of grace there as well—about two and a half minutes.

**Mr. Charlie Angus:** I'm going to turn it over to Mr. Morrice. He promised to buy me dinner.

**The Chair:** Mr. Morrice, welcome. You have two and a half minutes.

**Mr. Mike Morrice:** Thank you, Chair.

Thank you, Mr. Angus.

My questions for officials are focused on the kind of advice the minister is receiving from the department on a few statements that we heard from the minister a few times.

The first is this pronouncement about net zero by 2050 being the goal as opposed to 1.5°C as the global average temperature rise that the IPCC has called for. At COP26 a number of low-lying states said that the difference between 1.5°C and 2°C was a “death sentence” for them.

Is there anyone in the department who's telling the minister that net zero by 2050 is the same as 1.5°C ?

**Mr. John Hannaford:** Thank you very much for your question.

The emissions reduction plan that was announced earlier this year sets out in detail the steps that we will take in order to meet the objectives that have been identified by the government. It provides as detailed a plan as exists internationally to achieve them.

**Mr. Mike Morrice:** Thanks for the answer. I get very limited time ever, on this committee, so just to be clear, that goal, you're saying, is the net zero by 2050 goal and not a 1.5°C goal. Is that correct?

**Mr. John Hannaford:** Each country is going to have to contribute to the overall measures that are going to be possible in order to achieve the objectives that we have set collectively. Our emissions reduction plan contains in detail—

**Mr. Mike Morrice:** Great. Thank you. I just want to get one more in. I'm sorry to be so rushed.

We hear often that carbon capture and storage must be part of any plan. We also know that recent studies are showing that 32 out of 40 times, globally, carbon capture and storage actually increases emissions as opposed to decreases.

Are there any officials who are telling the minister that carbon capture and storage must be part of a science-based climate plan?

**Mr. John Hannaford:** I think it's been broadly recognized that climate capture and storage is an important aspect of an overall climate plan.

**Mr. Mike Morrice:** Have you seen the study that I just mentioned?

**Mr. John Hannaford:** I am aware that there are a number of studies that suggest a variety of different outcomes with respect to carbon capture and storage. This is, however, a matter that continues to evolve as an area of technology. It is going to be a critical aspect of our overall approach as we approach decarbonization generally.

• (1820)

**Mr. Mike Morrice:** Thank you, and apologies again for how quick that had to go.

**The Chair:** That ends the time we have set aside for today's session.

Thank you, Mr. Hannaford and all of your team who are with you today. We really appreciate it. You're welcome to join us. We're going to be going through the motion on the main estimates. We're regrettably not allowed to increase them, so you're not going to get more money from us, but you're welcome to stick around for this part of the meeting or drop off, if you like, and enjoy your evening.

Have a great evening.

**Mr. John Hannaford:** Thank you.

**The Chair:** For the members, the question I have is whether I have unanimous consent to vote on the main estimates in one motion.

Is everybody good with that?

**Some hon. members:** Agreed.

**The Chair:** We'll begin the votes.

Shall vote 1 under Atomic Energy of Canada Limited, vote 1 under Canadian Energy Regulator, vote 1 under Canadian Nuclear Safety Commission, votes 1, 5 and 10 under Department of Natural Resources, and vote 1 under Northern Pipeline Agency, less the amounts voted in the interim supply, carry?

ATOMIC ENERGY OF CANADA LIMITED

Vote 1—Payments to the corporation for operating and capital expenditures.....\$1,174,652,615

(Vote 1 agreed to on division)

CANADIAN ENERGY REGULATOR

Vote 1—Program expenditures.....\$90,160,129

(Vote 1 agreed to on division)

CANADIAN NUCLEAR SAFETY COMMISSION

Vote 1—Program expenditures.....\$40,818,583

(Vote 1 agreed to on division)

DEPARTMENT OF NATURAL RESOURCES

Vote 1—Operating expenditures.....\$722,418,907

Vote 5—Capital expenditures.....\$36,640,886

Vote 10—Grants and contributions.....\$2,245,355,494

(Votes 1, 5 and 10 agreed to on division)

NORTHERN PIPELINE AGENCY

Vote 1—Program expenditures.....\$540,000

(Vote 1 agreed to on division)

**The Chair:** Shall I report the main estimates 2022-23, less the amounts voted in the interim supply, to the House?

**Some hon. members:** Agreed.

**The Chair:** Thank you.

Folks, with that, we're going to now suspend. The idea is that we will go in camera. The hope is to spend a brief amount of time. We have until after eight o'clock, but I would like to get into the recommendations for the emissions reduction fund. We have two left in the main report, three from Mr. Angus and two from Mr. Simard. We have a brief draft conclusion and three charts that I'm hoping we can get to.

With that, we'll suspend to give us just a couple of minutes to bring our analysts back in.

[*Proceedings continue in camera*]





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