



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Environment and Sustainable Development

EVIDENCE

NUMBER 133

Wednesday, November 20, 2024

Chair: Mr. Francis Scarpaleggia



Standing Committee on Environment and Sustainable Development

Wednesday, November 20, 2024

• (1630)

[*Translation*]

The Chair (Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.)): I call this meeting to order.

Welcome to the Standing Committee on Environment and Sustainable Development. It's a pleasure to have you here again today to—

[*English*]

Mr. Dan Mazier (Dauphin—Swan River—Neepawa, CPC): Chair, I have a point of order.

I was wondering, now that Minister Boissonnault has stepped down, who's going to be in charge of Jasper and who's going to come out on the 5th.

The Chair: I'm not making those decisions, but Minister Boissonnault obviously won't be here on the 4th.

Mr. Dan Mazier: Can we get a report back to the committee as soon as possible on who is going to take his spot so that we can plan for that meeting?

The Chair: Sure.

Mr. Dan Mazier: Thank you.

The Chair: Yes, we'll look into that.

She is replacing him, but I don't know if that includes Jasper. I don't know if that includes.... We'll—

Mr. Dan Mazier: Who is replacing?

The Chair: Minister Petitpas Taylor is going to be taking over Minister Boissonnault's responsibilities, but I don't know if that includes Jasper. We don't know. That's something to look into.

Mr. Dan Mazier: Thank you.

The Chair: You're welcome.

Commissioner, we're very happy to have you here today.

I believe you have an opening statement of around 10 minutes. The floor is yours.

Mr. Jerry V. DeMarco (Commissioner of the Environment and Sustainable Development, Office of the Auditor General): Mr. Chair, I am pleased to be here today to discuss our annual report on environmental petitions and four performance audits, which were tabled in Parliament on November 7.

I would like to begin by acknowledging that we are on the traditional unceded territory of the Algonquin Anishinabe people.

I am accompanied by Kimberley Leach, Susan Gomez, James McKenzie, David Normand and Daniel Sipes, the principals who were responsible for the reports.

The four audits all touch on the importance of 2030, a year heavy with expectations.

[*Translation*]

By 2030, Canada is expected to reduce greenhouse gas emissions by 40 to 45% below 2005 levels; halt and reverse biodiversity loss in Canada; generate 90% of electricity from renewable and non-emitting sources; save 600 petajoules of energy every year; and meet the sustainable development goals set out in the United Nations 2030 Agenda.

[*English*]

I will begin with our audit under the Canadian Net-Zero Emissions Accountability Act.

In this audit, we looked at the government's progress in implementing climate change mitigation measures. This is our second report under the act.

Last year, we looked at the government's 2030 emissions reduction plan and found it to be insufficient to meet Canada's reduction target because key measures were delayed or not prioritized.

This year's audit assessed progress to date on 20 of the 149 measures included in that plan and its progress report. Overall, we found that measures were being implemented too slowly and that estimates of expected emissions reductions were overly optimistic.

[*Translation*]

We also followed up on progress made by federal organizations in implementing 41 recommendations from some of our audits on climate change since 2021. We found that while some recommendations were implemented, organizations' actions were sometimes slow or did not always fully address the concerns raised in our audits. This is important because slow and unresponsive actions impair Canada's ability to meet its targets.

Our body of work has shown that the stakes grow even higher each year, and the window of opportunity to reduce emissions and meet Canada's 2030 target is rapidly closing. The federal government must act quickly and decisively by implementing effective measures.

• (1635)

[English]

Let's turn now to our report on departmental progress in implementing sustainable development strategies.

We assessed the progress made by four departments in meeting two energy targets: generating 90% of Canada's electricity from clean sources and reducing annual energy consumption by 600 petajoules.

We found that results were limited, that progress was slow and that most of the reporting by Natural Resources Canada, Environment and Climate Change Canada, Crown-Indigenous Relations and Northern Affairs Canada and Indigenous Services Canada failed to clearly show how their results contributed directly to the federal targets. This left the government without a clear picture of its progress on clean power generation and energy efficiency targets.

Currently, over 82% of electricity produced in Canada comes from renewable and non-emitting sources, while the 2030 target is 90%. This gap is significant, and the gap for the energy efficiency target is even larger.

[Translation]

Generating cleaner power and improving energy efficiency are both key to reducing Canada's greenhouse gas emissions and supporting the transition to a low carbon economy. Redoubling efforts to achieve these two targets by 2030 would demonstrate Canada's leadership in the global fight against climate change.

Also on the topic of net-zero, our next report looked at Natural Resources Canada's critical minerals strategy.

[English]

The federal government allotted \$3.8 billion over eight years to increase the supply of responsibly and sustainably sourced minerals.

Canada needs these resources to support green technologies such as electric vehicle batteries, wind turbines and solar panels. Our audit focused on two of the strategy's objectives: environmental protection and advancing reconciliation with Indigenous peoples.

We found that Natural Resources Canada did not do enough analysis to weigh the benefits of increasing Canada's supply of critical minerals against the impacts this might have on the environment and indigenous communities. Though these resources are critical for supporting the transition to a net-zero economy, caution and proper planning are necessary to avoid adverse impacts on climate, biodiversity and indigenous communities. For example, an increase in mining activities could also result in an increase in greenhouse gas emissions, water pollution and loss of wildlife habitat.

[Translation]

Moving forward, Natural Resources Canada will have to fully assess risks and impacts of the Canadian critical minerals strategy to help maximize the strategy's benefits while minimizing adverse effects from increased mining activity. Otherwise, the benefits of advancing technology in support of the transition to net-zero emis-

sions could be offset by adverse effects on climate, biodiversity, indigenous communities and future generations.

Our next audit looked at the support Environment and Climate Change Canada provided for status assessments and reassessments of plants and animals at risk of extinction.

The Committee on the Status of Endangered Wildlife in Canada is responsible for completing these assessments under the Species at Risk Act. Environment and Climate Change Canada's role under the act is to provide the committee with the financial, administrative and technical support it needs to carry out this work.

[English]

We found that in 2023-24, the department set a target to support only 60 assessments and reassessments each year, without any formal analysis to support this decision. Even with that target, the department did not provide the committee with the support necessary to complete the 60 assessments. This is important because the committee's assessment of the status of species at risk is the essential first step to protecting and recovering them.

With Environment and Climate Change Canada's yearly limit of 60 assessments and reassessments, it would take the committee almost 30 years to assess prioritized species and over a century to assess those that are potentially at risk. The department's limit also makes it impossible for the committee to keep up with reassessments, which the act requires on a 10-year cycle for every species at risk.

• (1640)

[Translation]

Given the scale of the global biodiversity crisis, the current rate of assessments and reassessments negatively affects Canada's ability to protect plants and animals from disappearing because of human activity.

In closing, I want to re-emphasize that time is of the essence and Canada is moving much too slowly. The window to avoid catastrophic climate change continues to close. Intense forest fires, heat waves, violent storms and flooding have become more severe and frequent—affecting everyone, everywhere.

[English]

Canada's action and inaction affect more than just present and future Canadians. Our country plays a very important role in meeting the global challenges of sustainable development, climate change and biodiversity loss. Canada needs to step up and do its part.

Mr. Chair, this concludes my opening statement.

We would be pleased to answer any questions the committee may have.

Thank you.

[*Translation*]

The Chair: Thank you, Commissioner.

I now give the floor to Mr. Mazier, who will start this round of questions.

[*English*]

Mr. Dan Mazier: Thank you, Chair.

Thank you, Commissioner, for coming out this afternoon. It's good to see you again, and all of your department officials.

I have a lot of questions today, so if your replies can be as brief as possible, it would be appreciated.

I'll start off with a very short yes-or-no question. Is the government on track to meet their 2030 emissions reduction targets? It's just a yes or no.

Mr. Jerry V. DeMarco: No.

Mr. Dan Mazier: Commissioner, did the environment department ever indicate to your office that the government would not meet the 2030 emissions targets with existing measures?

Mr. Jerry V. DeMarco: Yes, they indicated that. Their calculation is that they're on track for about 36%, and the target is 40% to 45%.

Mr. Dan Mazier: Was the environment department aware they wouldn't meet their emissions targets?

Mr. Jerry V. DeMarco: Yes.

Mr. Dan Mazier: Why does Minister Guilbeault keep telling Canadians the opposite?

Mr. Jerry V. DeMarco: You'd have to ask him.

Mr. Dan Mazier: I will.

The United States is outperforming Canada in emissions reductions without a carbon tax.

If the will is there and other measures are used, is it possible for Canada to meet its emissions targets without a carbon tax?

Mr. Jerry V. DeMarco: There are a range of measures available to reduce emissions, including a carbon levy, regulations, subsidies and so on. The mix chosen by any country to reach a target is a policy decision for that government to make. If the carbon levy were to be removed, it would need to be replaced by something equally effective, plus something additional to bridge the 4% gap we just spoke about.

Mr. Dan Mazier: Is it possible for Canada to meet its emissions targets without a carbon tax?

Mr. Jerry V. DeMarco: It is theoretically possible. However, there isn't much time left between now and 2030, so changing tracks has its disadvantages.

Mr. Dan Mazier: Well, nothing has worked now.

Commissioner, we just learned that Canada now ranks 62nd out of 67 countries on the Climate Change Performance Index under

this government. That's unchanged from last year, despite a carbon tax increase.

Is this a success?

Mr. Jerry V. DeMarco: Is what a success?

Mr. Dan Mazier: Is this performance a success?

Mr. Jerry V. DeMarco: Well, I haven't looked at that particular measure, but we have, in exhibit 7.2, the smaller sample size of G7 countries. We indicated that this year and last year, Canada is performing the worst among the G7 countries against both the 1990 baseline used in the climate change convention and the 2005 baseline used in Canada's domestic target.

Mr. Dan Mazier: They're the worst out of the G7.

Mr. Jerry V. DeMarco: They are performing the worst in terms of percentage reductions in emissions since 1990 and 2005. Indeed, since 1990, there haven't been any reductions. There's been an increase in emissions since 1990.

• (1645)

Mr. Dan Mazier: Wow. Okay.

You revealed in your audit that "The recent decreases to projected 2030 emissions were not due to climate actions taken by governments".

Does this mean that the recent drop in projected emissions the government is trying to take credit for was not actually a result of policies?

Mr. Jerry V. DeMarco: This is about projections rather than historical emissions. You're referring to paragraph 7.24. I mentioned 36%, which is their calculation of what their measures add up to. Previously, the number used was 34%, I believe. What we're saying in that paragraph is that the change from 34% to 36% was not due to climate actions but to revisions to the data and methods used in the modelling. That's what we're talking about in paragraph 7.24.

Mr. Dan Mazier: What was the total number of emissions reductions from revisions in the data and modelling?

Mr. Jerry V. DeMarco: It was the difference between 34% and change, and 36%. It's one-point-something per cent.

Mr. Dan Mazier: You can table that, I guess.

Okay, thank you.

Did the government conduct a value-for-money assessment of their oil and gas emissions cap, yes or no?

Mr. Jerry V. DeMarco: I believe Ms. Leach has that table with her today, so I'll let her speak about that.

Ms. Kimberley Leach (Principal, Office of the Auditor General): Thank you for the question.

During our audit, the oil and gas emissions cap was not in place, so we didn't assess that during our audit. It was too early to assess it. At the time, they had not completed the value-for-money assessment.

Mr. Dan Mazier: Then does the government not know how effective this policy is going to be?

Ms. Kimberley Leach: We didn't look at the value-for-money assessment during our audit period, but they've since tabled draft regulations.

Mr. Dan Mazier: Then how could the government know...? They would not know how effective this is in terms of the value for money. In putting an emissions cap on oil and gas, the government has no idea what that's going to do.

Ms. Kimberley Leach: We couldn't look at it during our audit because it wasn't in place yet.

Mr. Dan Mazier: Okay.

Is the government using reliable emissions reduction estimates?

Mr. Jerry V. DeMarco: We have concerns about the estimates—this has been a theme in our appearances here over the last few years—regarding overly optimistic assumptions, the potential for double-counting and the slow deployment of measures. All of those give us pause in, for example, having confidence in the 36% I just mentioned. That's Environment and Climate Change Canada's number. Because of those concerns, I'm not convinced that the measures in place now would quite reach 36%.

The Chair: We have to stop there and go to Madame Chatel.

[*Translation*]

Mrs. Sophie Chatel (Pontiac, Lib.): Thank you very much, Mr. Chair.

I'd like to welcome all the witnesses.

I have several questions, so I'm going to ask the witnesses to provide brief answers.

Mr. DeMarco, my colleague said that the United States doesn't have an equivalent carbon pricing measure.

Is it true that California, the sixth-largest economy in the world, has an equivalent measure in the form of a carbon market, somewhat like Quebec?

Mr. Jerry V. DeMarco: Yes, California and Quebec are part of a group of subnational governments that have a carbon market, that have a type of carbon pricing.

Mrs. Sophie Chatel: That's why federal carbon pricing doesn't apply in Quebec. Quebec has an equivalent measure, as does California, the sixth-largest economy in the world—I'll say it again.

Canada gets compared to other G7 countries.

Can you confirm that Canada's emissions have fallen faster since 2019 than those of some of our fellow G7 members, such as Japan, the United States and Italy?

Mr. Jerry V. DeMarco: Yes, I can confirm that.

As you can see in Exhibit 7.1, Canada has reduced its emissions in recent years, during the COVID-19 pandemic and after the crisis. It's true that Canada has experienced higher emissions reduction levels than some of the other G7 countries.

Mrs. Sophie Chatel: Thank you very much.

I represent the Outaouais region, which is rich not only in biodiversity, but also in critical minerals like lithium and graphite. In addition, two indigenous communities reside in the region. This raises a number of questions about the economic development of critical minerals, which we need to reduce our greenhouse gas, or GHG, emissions, but there are also questions about environmental protection, our biodiversity and respect for indigenous rights.

My question is for you, Mr. DeMarco. Then I'd like to hear Mr. Jeanty's comments.

How can the federal government effectively step in to promote a balanced approach across the country while also respecting provincial jurisdictions?

• (1650)

Mr. Jerry V. DeMarco: We made a lot of recommendations in our report regarding Canada's critical minerals strategy.

The government can improve its approach to this issue by acting on our recommendations to restore balance in the way the strategy is implemented. That would allow all the economic, environmental and indigenous community objectives to be met. It would also prevent the economic objective from having an adverse effect on the other objectives.

Mrs. Sophie Chatel: I've read the report, Mr. DeMarco, but I'm concerned about the issue of provincial jurisdiction in this area. We are a federal government. Your recommendations have a lot to do with provincial jurisdictions.

What exactly do you recommend?

Do we need to partner with the provinces? We can't dictate certain things to them. For example, Quebec has developed its own critical minerals strategy. We really must respect provincial jurisdictions, in accordance with the Canadian Constitution.

Mr. Jerry V. DeMarco: That's a good question.

The federal government funds its strategy in order to promote it. We're not saying that the federal government should ignore provincial jurisdictions, which are set out in the Constitution. The question is how the federal government will use those funds to implement its strategy. It's not a question of how Canada is going to regulate this.

Mrs. Sophie Chatel: So your recommendation is more about funding.

I'm sorry to interrupt you, but I would really like to hear Mr. Jeanty's comments on this.

Mr. Jeanty, do you have anything to add?

Mr. Rinaldo Jeanty (Assistant Deputy Minister, Lands and Minerals Sector, Department of Natural Resources): Thank you for the question.

We believe that respecting provincial jurisdiction is crucial and that we must work in partnership with the provinces. The recommendation draws attention to the fact that there's more to be done, and we want to work collaboratively with the provinces on that.

In addition, the current regulatory system already includes many measures to ensure these protections. We believe that the current system will help us get things done. Furthermore, this strategy was designed to be compatible with the systems already in place. In my opinion, we have one of the best regulatory systems in the world.

We expect provincial jurisdictions will be respected and we expect the federal government will make no changes without provincial input.

Mrs. Sophie Chatel: Mr. Chair, do I have a little more time?

The Chair: You have 40 seconds.

Mrs. Sophie Chatel: Thank you, Mr. Chair.

Mr. Jeanty, the report makes some very important points about the balance that needs to be struck. The world, Canada included, absolutely needs critical minerals to protect our planet and stop global warming.

We also need our biodiversity, because it's our best ally when it comes to climate change. In Outaouais, mining the minerals will harm biodiversity and undermine indigenous rights.

Therefore, how do we strike the balance that Mr. DeMarco is recommending?

The Chair: Unfortunately, we won't have time to get an answer to that question.

Witnesses can always send us more details in writing.

We'll go now to Ms. Pauzé.

Ms. Monique Pauzé (Repentigny, BQ): Thank you, Mr. Chair.

I'd like to thank the witnesses for being with us this afternoon and answering our questions.

According to the Bloc Québécois, the week of November 4 was a very bad week for the government. It set the emissions cap, but it said the same thing it said a year ago, and it said the same thing about its reporting. We feel we're not really making progress, even though we urgently need to take action on climate.

I'll focus on report 7 about net zero. It confirms what the Bloc Québécois is saying: Canada is headed for a climate failure in 2030 and won't rise to the challenge because of the many delays in implementing the main climate measures announced.

Canada has six years left to reduce its GHG emissions by 40% to 45% by 2030. That means that if we don't ask enough of the oil and gas sector, we'll be asking a lot of other businesses.

Mr. DeMarco, last year, you sounded the alarm in your report. However, it seems to me that your recommendations are similar to last year's. Did the government listen? What steps need to be taken? I draw that parallel with the emissions cap, because a plan was in the making for the cap last year, but here we are a year later, and no progress has been made on it.

The table on page 40 of your report clearly points to significant barriers to imposing emissions caps on the oil and gas sector:

Timeliness—The measure was delayed. This measure was first proposed in 2021, and the regulation design was expected to be completed in early 2023.

However, regulation design was not published until December 2023. Draft regulations were initially expected by December 2023 but have yet to be published.

The Bloc Québécois supports this emissions cap measure, but it must be implemented quickly if we want it to be effective.

Commissioner, you looked at 20 measures in Environment and Climate Change Canada's 2030 emissions reduction plan. The bottom line is that measures are being put in place and helping to improve the situation, but things are moving much too slowly. In addition, emissions reduction estimates are often overly optimistic. I have to say that this is similar to what was said a year ago.

You also say that the measures taken in response to your recommendations are not being implemented in a timely manner or that organizations are not acting on them. I want you to know that the House has full confidence in you to help it monitor and analyze the government's policies. Your help and your reports are invaluable.

That said, do you get the sense that people are reading these reports and that the government will be proactive about your recommendations?

• (1655)

Mr. Jerry V. DeMarco: I hope that the government will be proactive about my recommendations. As you mentioned, I'm disappointed to see that many of the findings I made in 2024 are similar to those in 2023, 2022 and 2021, since I took up my position as commissioner.

In 2021, there was the announcement on the cap. In 2022, there were discussions about the cap. In 2023, a framework was presented. In 2024, the government drafted regulations. I'm hoping that by 2025 the regulations will be implemented. I'm just giving examples.

We're facing a climate crisis. The announcement on the cap was made four years ago, and all we have right now are draft regulations.

Ms. Monique Pauzé: Okay.

Let's now turn to the clean electricity regulations, which are the fruit of another key measure in Canada's policy to fight climate change. Report 7 states that this measure is facing challenges and it's been delayed.

We know that 99% of the electricity produced in Quebec is renewable. However, in other parts of Canada, electricity is still produced with natural gas, oil and coal. Take Saskatchewan, for example, where 86% of electricity comes from fossil fuels, that is to say 44% from natural gas, 41% from coal and a small amount from oil.

I was in the room the Conference of the Parties, or COP, climate summit when the minister at the time, Catherine McKenna, had begun phasing out coal. It seems like Canada has failed when it comes to coal. Not only are we still burning coal to produce electricity, we are apparently exporting it. We've been asking the government to pick up the pace for a long time.

Commissioner, wouldn't it be easier to achieve the 2030 reduction target and net zero if Canada stopped burning coal and adopted renewable energy?

Mr. Jerry V. DeMarco: We're talking here about one of the two targets we looked at in Exhibit 7.4 of Report 7. We also discuss it in Report 8.

We can see that Canada is still lagging behind regarding the 2030 target, with a 7.5% reduction. The goal is to produce 90% of energy from renewable and non-emitting sources. That's not that hard to reach; it's less than 8%.

Over the past five years, the curve has held steady at 81% or 82%, which is quite stable. As you said, Canada will have to change directions if it wants to meet the target.

• (1700)

The Chair: Thank you.

[English]

Mr. Bachrach is next.

Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP): Thank you, Mr. Chair.

Welcome back, Mr. Commissioner.

Thanks to my colleagues for allowing me to sit in on behalf of my colleague Ms. Collins.

I was at the meeting, Commissioner, when you presented your report on the emissions reduction plan. Reading this report, it feels a bit like Groundhog Day. There are many of the same findings or similar findings around the lack of progress and the slow pace of change.

As someone who wants to see.... In opposition, many times, you get a sense that people aren't necessarily cheering for the government to succeed because they would like to replace it, but in this case, I think everyone should really want Canada to achieve our targets and address this critical issue that is such a huge threat to the future.

I thought I would ask a question about comparing your report on the emissions reduction plan and its findings with your report today. What things have changed in the time between those two reports?

Do you feel that the government took your recommendations from the emissions reduction report seriously and acted with a sense of urgency so it could get a different prognosis when you came back to the environment committee?

Mr. Jerry V. DeMarco: Yes, and I should say that we did bat around the idea of tabling on Groundhog Day because the findings were so similar to last year, but there was more urgency. We didn't want to wait until the winter to do the report.

As you recall, the deadline for our office, under the new net-zero act, was to release our first report by the end of next month and then to release our second report five years after that. We're already on our second report. We wanted to lead by example by issuing our first report over a year early and our second report much earlier than required under the act. That would be to lead by example and to say that if this is a climate crisis, then we're going to do what Parliament has asked us to do faster rather than slower.

To answer your question directly, though, I would have hoped, by sounding the alarm one year early under the act, that the government would have at least filled the gap between 36% and 40%. As I said last year, it should probably aim a little higher than 40% because of the problems that we've identified in terms of overly ambitious assumptions, double-counting and those sorts of things. I am surprised to see that we're still in the mid-thirties, in terms of a percentage, one year after last year's report. I'm not only surprised but also disappointed.

Mr. Taylor Bachrach: To be clear, Commissioner, the 36% is its estimate of reductions. Do you agree with that figure? My understanding is that you feel that the progress has been substantially less than that. If so, what percentage would your office estimate? I apologize if I missed it.

Mr. Jerry V. DeMarco: As I indicated in the response to one of the first questions today, 36% is the government's estimation based on its bankable measures—the ones that have crystallized enough to be modelled. Both last year and this year, we found that the measures that make up that 36% do suffer from some problems relating to overly optimistic assumptions. I can tell you that if you were to ask me what the number is, I would be confident in a number lower than 36%, but we haven't come up with our own competing number, if that's what you're asking.

Mr. Taylor Bachrach: When it comes to the accuracy of the projections, you differ with the department. Have there been efforts to reconcile your two approaches to estimating progress?

• (1705)

Mr. Jerry V. DeMarco: There has been some progress. That's one thing that has differed from last year to this year: We've decided to change our approach too. Rather than it being purely "Groundhog Day", using your wording, we've decided to continuously track our recommendations, which we hadn't been doing up to now. That's the second part of our report this year. Now we do see that some of the recommendations are being implemented, so it's not a case that the government is ignoring all of our recommendations. It is making some progress in implementing them.

Mr. Taylor Bachrach: In all of your reports, you've highlighted the growing emissions from the oil and gas sector. I guess I'm curious as to what extent those increasing emissions contribute to or explain the lack of progress or the shortfall in meeting targets.

If the oil and gas sector had stable emissions—not even reduced emissions—over the period that you've been tracking, would the difference between that and what they currently emit put Canada on track? Would that account for that shortfall of 4% to 9% that is currently the shortfall that the government sees?

Mr. Jerry V. DeMarco: It would likely have an even larger impact than that.

Mr. Taylor Bachrach: We'd actually be ahead. If emissions from oil and gas had simply remained stable since the government has been in power, would we then be surpassing the 40% to 45% target that it set based on 2005?

Mr. Jerry V. DeMarco: I haven't calculated it based on when the government was in power, but I do have data from 1990 to now. If emissions in the oil and gas sector had stayed constant, then we would have already reached our 2026 target by 2022. We would have actually reached the 2026 target four years early, if oil and gas emissions had stayed constant from the level in 1990.

[*Translation*]

The Chair: Thank you.

Mr. Deltell, you have the floor for five minutes.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Ladies and gentlemen, welcome to the House of Commons.

I see that many officials from the Department of the Environment and Climate Change and from the commissioner's group are here as well. I'd like to welcome them. They are most welcome, and I thank them for their service to Canadians.

Mr. DeMarco, it's always nice to see and hear you express yourself in quite impressive French. Thank you very much.

Mr. Chair, we are all gathered again today with the goal of recognizing that climate change is real, that we must adapt to its effects and continue unabated to reduce emissions and pollution. Where we part ways is that we don't all have the same approach. That's what democracy is all about.

Commissioner, I'd like to ask you a few questions. As my time is limited, I have a short question and I'd like you to give me a short answer.

Is the government on track to meet the 2030 targets?

Mr. Jerry V. DeMarco: The measures contained in the current plan are not sufficient to achieve the 2030 targets.

Mr. Gérard Deltell: Is the department aware that, according to your assessment, the 2030 targets will not be met?

Mr. Jerry V. DeMarco: Yes, it was informed of this this year and last.

Mr. Gérard Deltell: In that case, how is it that the government and the Minister of the Environment and Climate Change told the House just a few weeks ago that, for the first time in Canadian history, we were on track to meet our 2030 targets? Why has the minister said this repeatedly, when you say the exact opposite?

Mr. Jerry V. DeMarco: According to my assessment of the government's measures, based on its own calculations, they will reduce greenhouse gas emissions by about 36%, not 40–45%.

If some people have a different opinion, it's because of the other things that could happen between now and 2030. Current measures are not enough.

Mr. Gérard Deltell: It's how you read it here in Canada, but you know that this morning, around 1:30 a.m. Ottawa time, at COP29,

the annual report concerning the Climate Change Performance Index was tabled.

By the way, I'm a virtual participant in this conference, which means zero emissions and no budget. This report tells us that today, once again, Canada, after nine years under this government, ranks 62nd out of 67 in terms of efficiency. Why do you think this is?

You also mentioned the G7 in your report. Can you tell us a little about it?

Mr. Jerry V. DeMarco: As I said a few minutes ago, we use the measures presented in exhibit 7.2 to compare Canada's performance to that of the other G7 countries in terms of percentage reductions in greenhouse gas emissions since 1990 and since 2005.

By both measures, Canada ranks seventh among G7 countries. I haven't looked at the other report you mentioned, but the conclusions are similar.

• (1710)

Mr. Gérard Deltell: I'll be happy to give you a copy. I tried to table this report in the House earlier, but unfortunately the government party refused.

Let's talk about the G7, since you've focused on that. Canada is the worst G7 country. Yet it seems to me that there are countries much more powerful than ours, particularly in terms of emissions, but in all other respects too, like the United States, our neighbour.

We know that the United States has a very strong oil industry. We have one too. The difference is that in Canada, we have a carbon tax, while the U.S. does not.

And yet, the U.S. has better results than Canada. How do you explain that?

Mr. Jerry V. DeMarco: Many more measures than that are taken into account when calculating the performance of the two countries. Even if Canada's performance is worse than the U.S., they haven't reduced their greenhouse gas emissions much either.

I'm not saying that, if we did what they do, it would be enough. It's not good enough. Yes, we're the worst country, but I don't just want us to be sixth rather than seventh.

Mr. Gérard Deltell: Commissioner, you're absolutely right. As I said at the outset, we're all thinking about the future and we're all aware that we need to reduce pollution. However, our neighbour, who is very powerful and also has an oil industry, has better results than we do. The difference is that we impose a carbon tax on our citizens.

So, how effective is a carbon tax?

Mr. Jerry V. DeMarco: The report we're discussing today covers 20 measures we've looked at, and carbon pricing is not one of them. In fact, we carried out an audit precisely on this, two years ago already.

We have not made any new findings on this subject. However, we have followed up the implementation of the recommendations we made in that audit. There has been some progress, but there's still a lot to do.

The Chair: Your speaking time has unfortunately run out.

Ms. Taylor Roy, you have the floor.

[*English*]

Ms. Leah Taylor Roy (Aurora—Oak Ridges—Richmond Hill, Lib.): Thank you very much, Mr. Chair.

Thank you, Mr. DeMarco and officials, for being here again today.

When you refer to the new net-zero accountability act the Liberals introduced to ensure we were actually monitoring progress on our ambitious goals, while I appreciate the fact that you've expedited your report, it also hasn't really given the year of time to advance on these goals.

However, I applaud your efforts, and I think we need to hear more about this.

I want to ask you a few quick questions too. When comparing Canada with the G7, is Canada the most dependent on oil and gas of any of those economies?

Mr. Jerry V. DeMarco: Are we most dependent on what measure?

Ms. Leah Taylor Roy: Are we the most dependent on oil and gas?

Mr. Jerry V. DeMarco: Do you mean in terms of percentage of GDP or something like that?

Ms. Leah Taylor Roy: Yes.

Mr. Jerry V. DeMarco: I don't have that table in front of me, but it would certainly be one of the top ones, if not the top one, in terms of percentage, yes.

Ms. Leah Taylor Roy: Okay, that's great. Thanks.

Has any comparison been done between Canada and any of the other oil-dependent economies, such as Russia or Saudi Arabia?

Mr. Jerry V. DeMarco: A comparison of what measure?

Ms. Leah Taylor Roy: A comparison of our emissions reductions progress versus Russia or Saudi Arabia.

Mr. Jerry V. DeMarco: We haven't done that in our report. We tried to use comparators of countries that are at least somewhat similar to Canada in terms of the global north and advanced industrial economies, and so that's the G7.

Certainly, as you know, global emissions are rising. Even though our G7 colleagues have made progress in reducing them, the total emissions in the world have gone up. There are many countries that are also doing poorly, along with Canada, if that's what you're getting at.

Ms. Leah Taylor Roy: No. I'm just trying to compare Canada to other similar economies. I appreciate that it's the G7, but when you're looking at emissions, the oil and gas sector has been the one that has really lagged in terms of meeting our goals, if we compare ourselves to other economies that have this.

In addition to that, we of course have the jurisdictional issues you have mentioned often in your report. The reason some of our goals are not being met relates to the interjurisdictional issues as well.

I'm wondering what the effect is of provinces in Canada that have either cancelled or suspended renewable energy projects, such as the Conservative governments in Ontario or Alberta. Doug Ford cancelled a number of these projects, and obviously Danielle Smith has suspended a number of them. What effect does that have on Canada's ability to reach its targets?

• (1715)

Mr. Jerry V. DeMarco: The longer we rely on fossil fuels, in your example of electricity generation, the harder it is to meet the targets. That's set out in report 8, which coincidentally does have a wind farm in Alberta on the cover of it.

The longer we take to transition to renewables and non-emitting sources, the harder it is to reach both the renewable energy target in the federal sustainable development strategy and the overall emissions reduction target in Canada.

Ms. Leah Taylor Roy: Thank you.

Conservative governments provincially that are stopping these projects, the renewable projects, are hurting our ability to meet these targets.

I was also wondering about the approaches put forward by other parties that have said that we should axe the price on pollution program, that we should cut funding for programs and scrap regulations, and that we should only use technology to meet our goals. Do you believe that solely relying on technology would actually meet our goals, or do you believe that things like the price on pollution program or the cap on pollution from oil and gas companies are helpful in meeting these goals?

Mr. Jerry V. DeMarco: Canada uses a mix of measures, almost 150, set out in the plan in the progress report under the net-zero act. There's a whole range of measures available—and I've answered that question earlier—in terms of regulation, carbon levy, subsidies and others.

It's a choice for the government of the day to make in terms of what that mix is, but the problem in Canada is that from 1990 to now, whatever the mix has been under whatever target and under whatever plan, it has never worked in Canada.

In other G7 countries, we have seen large reductions, including in countries that were extracting quite a bit of fossil fuels in 1990, just like Canada. Germany and the U.K. have had major reductions, even though they were large fossil fuel extractors in 1990, when the world came together to work on climate change.

Ms. Leah Taylor Roy: Absolutely, but my question more specifically, Mr. DeMarco, was whether you think we could meet the goals we have set out by cutting any of the regulations and the carbon levies and just relying on technology.

Mr. Jerry V. DeMarco: Technology does have a role to play. Between now and 2030, it would largely be existing technologies in order to have an effect on 2030. Investing in new technologies could have an effect on the net-zero target in 2050, but it would be unlikely that they could essentially be created, deployed, commercialized and put in place between now and 2030 to have a major effect.

New technology is more promising for 2050. Existing technology is more promising for 2030.

Ms. Leah Taylor Roy: Thank you, Mr. DeMarco.

The Chair: Thank you.

[*Translation*]

Ms. Pauzé, you have the floor for two and a half minutes.

Ms. Monique Pauzé: I'll go back to report 7 on the issue of double accounting. It says the following:

For example, the Clean Power priority investments from the Infrastructure Bank and the Smart Renewables and Electrification Pathways Program from Natural Resources Canada fund the same projects and report on the same expected emissions reductions. This can lead to overestimating the measure's contribution to emissions reductions.

My question is quite simple. Do you talk to each other?

Mr. Jerry V. DeMarco: What do you mean?

Ms. Monique Pauzé: I'm asking if you talk to each other, i.e., the Infrastructure Bank, the Department of Natural Resources and your office.

The government says it's optimistic, but there's double accounting.

Mr. Jerry V. DeMarco: We've also talked about double accounting in other reports, including the one on the emissions reduction fund in 2021. More recently, we addressed this same issue with regard to the 2 billion trees program.

This is one of the consequences of taking a decentralized approach to climate change. Departments look at their needs in isolation, and this can lead to double accounting problems. We made a recommendation in this regard a year ago, so that these organizations could improve their systems and integrate all measures. This would avoid double accounting.

• (1720)

Ms. Monique Pauzé: Thank you.

Mr. Jeanty, I believe you represent the Department of Natural Resources.

Is that right?

Mr. Rinaldo Jeanty: I also have colleagues with me who will be able to answer your question.

Ms. Monique Pauzé: All right.

In the table on page 42 of report 7, regarding the Canadian small modular reactor action plan, the commissioner says: "The department had not assessed the expected emissions avoided for this measure." He also says: "The department had not assessed the value for money of this measure."

Basically, we know that the Canadian small modular reactor plan isn't about the public. Rather, it's designed to fuel the oil sands industry. Now, if you're not able to assess the reduction in emissions, it may be because there won't be any, since it's being used to produce green oil, which I don't believe in.

Mr. André Bernier (Director General, Electricity Resources Branch, Department of Natural Resources): My name is André Bernier, from Natural Resources Canada.

Unfortunately, I missed the last part of the question as I was moving to take my seat at the table.

Could you repeat the question?

Ms. Monique Pauzé: Mr. Chair, will you allow me the necessary time?

The Chair: Please ask a concise question. I would also ask the witness to give a concise answer.

Ms. Monique Pauzé: If you say you're not in a position to assess the reduction in emissions when it comes to small modular reactors, maybe it's because they're just going to be used to further fuel the oil sands industry. The promoters of this technology are trying to sell us what they call "green oil".

Mr. André Bernier: As part of the Canadian small nuclear reactor plan, we're working collaboratively. We're not saying it won't contribute to greenhouse gas emissions. It's a collaborative approach, and no targets have been set.

It's not a question of evaluating the reduction of greenhouse gas emissions—

The Chair: Unfortunately, we have to stop here.

Mr. Bachrach, you have the floor.

[*English*]

Mr. Taylor Bachrach: Mr. DeMarco, you said earlier that 2030 was a year "heavy with expectations". I was just observing that when it comes to the net-zero accountability act, a lot of the timelines and targets are outside the political horizon. Looking back at the years since 1990, it seems that many of the targets have been outside the political horizon, and perhaps much of the backsliding has been the result of changes in administration and changes in the degree of commitment to the cause of reducing greenhouse gas pollution.

I worked on the net-zero accountability act. One of the things we fought very hard for was the 2026 emissions “objective”, I believe it’s called, because we couldn’t get the Liberals to agree to the word “target”. I note that it’s just after the fixed election date.

I guess I’m asking you to stray a little bit outside the bounds of the report you’ve presented. If we could go back to that piece of legislation and ensure that the targets and the reporting years were all within the political cycle.... We have fixed election date law in Canada. Why not have governments commit, when they come in, to a certain emissions reduction during their term? When the voters go to the polls, they can measure them against something that is tangible.

It feels like we’re always falling behind, and then having elections, and then starting all over again. Is that an accurate observation?

Mr. Jerry V. DeMarco: It is interesting that you ask that question, because if I go back to lesson 8 from our 2021 “Lessons Learned” report on climate change, we start lesson 8 with the following:

Governments often struggle with long-term problems. Governments—and those who wish to form a government—often plan around the next election, rather than around longer-term challenges.

We’ve highlighted that as a problem for a few years now. Are there ways to address that? There are. There was the attempt to put in what’s called the interim objective—I think that’s what you’re talking about—for 2026, but even then, that is five years after the date that this act received royal assent. The net-zero act was in 2021.

There are other options. Annual carbon budgeting is another one. There would be accountability every year. You could have sectoral measurement. That could be for the entire country or for a jurisdiction or a sector.

There are ways of turning long-term objectives into annual deliverables.

• (1725)

The Chair: Thank you.

Mr. Kram is next.

Mr. Michael Kram (Regina—Wascana, CPC): Than you, Mr. Chair.

I’d like to thank all the witnesses for being here this afternoon and for all of their thorough and diligent work in the most recent round of audits.

Commissioner DeMarco, I’d like to start with you.

In Report 7, you made a number of alarming statements about the government’s emission reduction goals. You said that its plan “remains insufficient to meet Canada’s target”, that Canada was “the worst performer” amongst the G7 countries, that its “measures were often overly optimistic”, and that the plan had “missing and inconsistent information” and so forth.

In light of your findings in Report 7, I would like to read to you a series of statements. I was wondering if you could share with the committee whether those statements are accurate or inaccurate.

On May 6, Minister Guilbeault stated in the House of Commons that “for the first time in the history of Canada, we are on track to meet our 2026 and 2030 [emissions] targets.

Commissioner, would you say that statement is accurate or inaccurate?

Mr. Jerry V. DeMarco: We haven’t done an analysis of the projections for 2026, the interim objective that we just talked about. The government has told us that it believes it’s on track. That’s all I have to say about it.

With regard to 2030, I do not agree that Canada’s existing measures put the government on track for meeting 2030. There is a gap that needs to be filled for the measures to add up to 40% to 45%.

Mr. Michael Kram: On October 8 of this year, Minister Guilbeault said in a CBC interview, “What is also clear is that our plan is working.”

Commissioner, would you agree that the government’s plan is working to achieve our 2030 targets?

Mr. Jerry V. DeMarco: The plan, as I just said, doesn’t add up to the 40% to 45% target. Exhibit 7.1 shows how steep the graph would have to be to reach that target.

However, I want to caution that it’s still only 2024; it’s not time to give up. It is possible to bridge that gap over the next six years. We do owe it to Canadians, present and future, to make that effort to bridge the gap. Simply because I’m saying that we’re not on track now doesn’t mean that it’s impossible to meet that target. There is still time to meet it, but it will require more measures than are in the plan right now.

Mr. Michael Kram: Okay, that’s fair enough.

On January 29, in the House of Commons, Parliamentary Secretary van Koevorden stated, “we are ahead of our initial 2030 target and firmly on track to meet the targets set out in our 2030 emissions reduction plan.”

Commissioner, would you say that statement is accurate or inaccurate?

Mr. Jerry V. DeMarco: Well, they’ve never published a pathway between 2005 to 2030 in terms of annual targets, as we were just talking about, so I don’t know what shape of graph they were hoping for. Therefore, I can’t really say one way or the other whether they’re following the shape of graph that they intended.

In terms of what would be required, doing the math between now and 2030 shows that we can’t have any more years when there’s just a 0.5% reduction or a 1% reduction. We’re going to need substantial reductions every year between now and 2030 to reach the target.

Mr. Michael Kram: Let me put it this way, then. Let's look at the graph on page 2 of Report 7. Would it be accurate to say, based on that graph, that we are ahead of our 2030 target?

Mr. Jerry V. DeMarco: The only way to be ahead of the target at the current time would be to have already met it. Some of our G7 colleagues have already reached the reductions that we're hoping for in 2030. That would be ahead of it.

As I said, I don't know what pathway the government is following. If you just draw a line on exhibit 7.1 in terms of extrapolating the data, you will see that we aren't on target.

However, the future isn't determined entirely by the past. We have the ability to bend that curve downwards, and we require additional measures to do so.

● (1730)

Mr. Michael Kram: Okay.

This is my last quote, Commissioner. In December of last year, on Twitter, now known as X, Minister Guilbeault stated, "Our climate plan is working...we are on track to meet our goals and achieve a strong, sustainable and secure future."

Commissioner, would you agree that the government is on track now to meet these goals?

Mr. Jerry V. DeMarco: I think we've said this a few times today, but with the measures the government has that are bankable and can be modelled right now, the government recognizes and has actually stated, in the first progress report that Environment Canada put out under the act, that it doesn't have bankable measures yet to meet 40% to 45%.

The Chair: Okay. Thank you.

Mr. Michael Kram: Thank you.

The Chair: Mr. Longfield is next.

Mr. Lloyd Longfield (Guelph, Lib.): Thank you, Mr. Chair.

Thank you, Mr. DeMarco, and all the support you have here. It's always good to have you reporting to this committee.

It's good to note that you report to Parliament through this committee, so your work is incredibly important not only for this committee but for all of Parliament.

On that track, I'm thinking of the other auditors general across Canada. Looking at page 11 of report 7, we see that 15 of the 20 measures are multi-jurisdictional. The report reads:

...challenges affected the timeliness of measures in the transportation, oil and gas, electricity, and building sectors...provinces raised concerns with the draft Clean Electricity Regulations, including impacts on costs and rate affordability. The department proposed measures to mitigate these concerns...

There's a back-and-forth with the provinces and the federal government. How does that play out with the provincial auditors general? How do you work with them on issues like this?

Mr. Jerry V. DeMarco: I'll start and then I'll turn it over to Ms. Leach, because she actually coordinated the collaborative audit we did with those offices.

It was an unusual and innovative endeavour in coordinating our work on climate with theirs. That resulted in individual audit re-

ports to each of the legislatures, as well as the one to Parliament. Our office also did reports for the territories. There is an ability to do that. It's a lot of effort, so we aren't going to do it every year, but we have done it once.

I should state that when I was the commissioner in Ontario, we also did something similar to last year's report. We looked at Ontario's climate plan and looked at whether there were overly optimistic assumptions and so on.

That work can be done, and is being done, by some of the auditors general.

Mr. Lloyd Longfield: I think what may be interesting for our committee is if there is a companion provincial report from Alberta, as an example, for us to know how it's auditing, and even to make sure that Alberta has a copy of what we're looking at, because the oil and gas industry has been mentioned several times. If we're going to make progress, we have to do it together.

Looking across at Mr. Bachrach and Madame Paupé, we were on the committee when we drafted the accountability act. We looked at five-year reporting so that we could get outside of election cycles. We didn't really look at the provincial impacts of this as closely as we maybe should have.

Mr. Jerry V. DeMarco: We're the Auditor General's office for the federal government and the three territories, so we can cover those areas directly, but yes, we certainly encourage our colleagues in the provinces to hold those governments to account for their part of this essentially whole-of-society endeavour to address climate change.

However, the federal government is the one that makes the international commitment and the domestic commitment to reach a target, so it holds the lead and it has the constitutional authority, which has been upheld in pollution regulation under the Canadian Environmental Protection Act and the Greenhouse Gas Pollution Pricing Act.

Yes, the federal government can take a lead role.

Mr. Lloyd Longfield: It's not to shirk responsibility at all from our side, but we definitely need to see progress.

In paragraph 7.21 in your report, you talk about the four regulations that were "delayed in meeting milestones"—the clean fuel regulations being one of them—and the emissions cap, which we've also talked about.

The emissions cap was worded as an emissions cap and not a production cap because production is provincial jurisdiction. We're careful to word it within what we're trying to work on, but clearly, with regard to the details on oil and gas emissions, that draft regulation has been delayed by trying to work with the provinces and the oil producers to say what's realistic, how we are going to get there together and how we can sign off on this so that we know we're going to get those results together.

The national modelling on buildings is another one in which municipalities and provinces are involved. I'm trying to see how we could coordinate all of this with the audit departments and the auditors general to make sure that we have those impartial results coming to us as well as to the provinces and territories.

• (1735)

Mr. Jerry V. DeMarco: Ms. Leach can talk about that issue, because she coordinated the collaborative audit with the auditors general.

The Chair: Unfortunately, I can give you just another 25 to 30 seconds.

Ms. Kimberley Leach: Yes, it's 20 seconds. Thank you.

In 2018, we tabled a report in Parliament that all auditors general in Canada contributed to. Each auditor general looked at climate change adaptation and mitigation. That is on our website. It's from 2018. All provinces have followed up on that work.

Here are a couple of very quick findings.

It found that many provinces and territories did not have adaptation plans.

When we're talking about mitigation, all of them had different targets.

That's an example.

Mr. Lloyd Longfield: That was in 2018. It would be great to get an update on that one. I'm just saying.

Thank you, Chair.

Ms. Kimberley Leach: Yes, it would.

The Chair: Thank you very much.

Mr. Leslie is next.

Mr. Branden Leslie (Portage—Lisgar, CPC): I'm sorry. How long do I have, Mr. Chair?

The Chair: You have five minutes.

Mr. Branden Leslie: Thank you, Mr. Chair.

I'll start with the commissioner.

Thank you for being here.

I'm going to have a couple of questions for ECCC officials, if they want to join us at the table. I'm not sure whether they are up here just yet.

I think my colleague Mr. Kram did a very good job of outlining some of the more troubling statements made in your audits regarding outcome and the track we are on right now.

I'll put this simply and reiterate for the officials who are joining us here, because I'm going to ask them some questions about this: Are we, or are we not, on track—as claimed by the current Liberal government—to meet our 2030 targets?

Mr. Jerry V. DeMarco: Is this question for the department?

Mr. Branden Leslie: It's for you first.

Mr. Jerry V. DeMarco: Oh, I think I've answered that one a few times already. Haven't I?

Some hon. members: Oh, oh!

Mr. Jerry V. DeMarco: For the record, the bankable measures in the current 2030 emissions reduction plan, which was issued in 2022, are not sufficient to reach the target of 40% to 45% by 2030. Additional measures would be needed to bridge the gap.

Mr. Branden Leslie: Thank you.

To the ECCC officials, you heard the commissioner's recent remarks on that. In light of previous conversations in which it was explained that we are only looking at 36%, which is below our target levels—not 40% to 45%, despite claims from the minister, parliamentary secretary and many Liberal MPs—does ECCC accept the environment commissioner's findings that the Liberal government is not on track to meet its 2030 objectives?

Mr. Vincent Ngan (Assistant Deputy Minister, Climate Change Branch, Department of the Environment): First of all, pursuant to the Canadian Net-Zero Emissions Accountability Act, the Government of Canada had to table a progress report in 2023 outlining progress Canada has made towards the 2030 target.

In the report tabled in Parliament in December 2023, it was very clear that Canada has actually met its interim objective scheduled for 2026 by a degree of 22%, as well as 36% by 2030—

Mr. Branden Leslie: I need to interrupt here—

The Chair: I'm sorry. What—

Mr. Vincent Ngan: Additional measures need to be adopted, as identified in the progress report. That will bring us to 40%. In fact, in the public domain—

Mr. Branden Leslie: Okay. Thank you.

I'd like to bring this back to normal-person talk.

Do you agree with the commissioner's statement that you're not on track, yes or no?

Mr. Vincent Ngan: The report clearly says that Canada is reaching 36% by 2030. With additional measures being adopted, we're able to be on track to reach 40%. That's clearly outlined in the report tabled in Parliament.

• (1740)

Mr. Branden Leslie: Can you explain to me why you are advising parliamentarians to say things in the House of Commons and publicly that are well above and beyond that?

Mr. Vincent Ngan: In the report tabled in Parliament, we clearly state that Canada is on track for 36%. With additional measures adopted, we're able to reach 40%.

Mr. Branden Leslie: I know what it says, but here's what Canadians are asking. The commissioner, under the Auditor General, says one thing. The partisan politicians who are claiming something say another thing. The question people ask me is, "Well, who do I believe?" To me, it's a pretty simple answer.

Who should we believe?

Mr. Vincent Ngan: Again, the report was tabled in Parliament, subject to international and domestic stakeholder review.

Also, in September the Government of Canada asked the net-zero advisory body. It released a report in September recommending additional measures that can help the government reach 40% to 45% by 2030. All of this gets—

Mr. Branden Leslie: I appreciate your bringing it back to bureaucratise.

The—

Mr. Adam van Koeverden (Milton, Lib.): I have a point of order, Mr. Chair.

The Chair: Yes. Let's be respectful.

Mr. Adam van Koeverden: I think it's really unnecessary to talk down to and be condescending toward our witnesses.

Mr. Branden Leslie: I speak frankly. I'm okay with it. I speak like a normal person.

The Chair: Let's move on.

Go ahead.

Mr. Branden Leslie: Are there performance bonuses within ECCC on whether or not they succeed at these targets? Has one ever been awarded based on the report that was tabled previously that you talked about?

Mr. Vincent Ngan: I'm not able to really answer that question on behalf of the entire department. That being said—

Mr. Branden Leslie: Well, answer however you want to. Has a bonus ever been given?

The Chair: You have to let him answer the question.

Continue, please. You're not able to answer on behalf of the entire department.

Mr. Vincent Ngan: I'm not able to answer on behalf of the department.

That being said, different objectives and deliverables are set in a particular year. I do not believe any particular official would be asked to be accountable for an objective that is a shared jurisdiction between the federal government, provinces and territories.

Mr. Branden Leslie: Is there a chance that they can get a bonus? It seems clear that those at the political level are not held account-

able for when the failures exist. Are there performance bonuses if targets are met, or if they're not?

The Chair: I don't think the Department of Environment is Exxon. I don't think it's a business. I don't think you get bonuses if you meet a certain sales target.

Mr. Branden Leslie: I mean, the CBC does.

The Chair: That's my understanding, but what do I know?

Mr. Adam van Koeverden: [*Technical difficulty—Editor*] government department is a public broadcaster?

The Chair: Anyway, time's up. We'll go now to Mr. van Koeverden.

Mr. Adam van Koeverden: Thank you, Mr. Chair.

Before I start, I gave a notice of motion on Monday. It has been 48 hours, so I would like to move the following motion:

That the committee invite the Minister of Environment and Climate Change to testify on the Supplementary Estimates (B) by no later than the end of the current supply period.

The Chair: I think it's pretty straightforward. I can't imagine this not receiving unanimous consent from the committee. We want the minister to come and speak to the supplementary estimates (B).

Mr. Dan Mazier: I have an amendment.

The Chair: You have an amendment?

Mr. Dan Mazier: Yes.

The Chair: Okay. Go ahead.

Mr. Dan Mazier: It would read, "and instruct the chair to schedule this meeting for two hours outside of the schedule adopted on Friday, November 15, to ensure that all matters agreed to are not replaced to provide the minister with more flexibility in appearing at committee."

The Chair: Can you explain what that means, exactly?

Mr. Dan Mazier: Basically, it's to make sure he doesn't get out of the other meetings he has committed to.

The Chair: No. It would be in addition to those.

Mr. Adam van Koeverden: Did you circulate it, Mr. Mazier?

The Chair: Can I see it, Mr. Mazier?

Mr. Dan Mazier: Sure.

The Chair: I understand that it's in addition to. It's not [*Technical difficulty—Editor*] outside the schedule adopted.

Excuse me, Commissioner. I apologize. This is important, because we want to look at the supplementary estimates (B).

The problem with the wording of the subamendment, I think, is that it basically says we should not have this meeting on a Tuesday or Thursday and outside the schedule adopted on Friday. That's the way I read it. There are so many moving parts in the schedule right now. Honestly, I think it complicates the matter.

In my view, the motion does not suggest that the minister would substitute his appearance on supplementary estimates (B) for anything that was in the motion Friday. I would just ask the committee to take it on faith that the minister is not going to try to get out of another meeting that he was invited to be at.

Mr. Dan Mazier: I guess that as long as we ensure that resources are around, if something needs to happen, could we even extend meetings while we're sitting on Monday and Wednesday—

The Chair: Yes. Take it on good faith here. The idea is for him to come. It's an additional meeting with the minister. We get an additional meeting with the minister.

• (1745)

Mr. Dan Mazier: It's a bonus.

The Chair: If you don't mind withdrawing the amendment, I think it's pretty clear that he's coming an additional time. It's not to substitute.

Mr. Dan Mazier: Let's drop it, then.

(Amendment withdrawn)

The Chair: Thank you.

I'm sorry, Commissioner. Where were we?

Mr. van Koeverden, go ahead. It's your turn.

Mr. Adam van Koeverden: Thank you very much, Mr. Chair.

Thank you for joining us, Mr. Commissioner and officials. We really appreciate it.

Repeatedly on this committee, it has been suggested that the United States is lowering its emissions in the absence of any carbon pricing mechanisms, although 12 states—home to over a quarter of the U.S. population and accounting for a third of U.S. GDP—have active carbon pricing programs that are successfully reducing emissions. Those states include California, which has a GDP almost twice the size of Canada's; Washington state; and then 11 northeast states.

Would you characterize that if they are diminishing emissions in the United States, if they—

The Chair: Excuse me.

Do you have a point of order?

Mr. Branden Leslie: Yes. It actually is a point of order this time.

I'd just like some clarity on a previous decision of yours regarding the use of a member's question time to move a motion.

To my recollection, you have said in the past basically that if you move a motion during your time, the remaining time is null and void. The clock is not starting and stopping.

The Chair: I understand that, but this was really a quick future business matter. I'll ask the clerk if I have any room to manoeuvre on this. If I do, I'm going to take it.

The intent here wasn't to delay the committee; it was just to make sure that we can invite the minister to discuss the supplementary estimates (B), because if we don't have a motion, we can't invite him to discuss them. I think it's to the advantage of the opposition that we pass this motion.

Therefore, I don't believe we should take away from Mr. van Koeverden's time, but I will ask the clerk if I'm allowed to do that.

Mr. Adam van Koeverden: On that point of order, Mr. Chair, I'll be honest. In good faith, I did it before my question so that I wouldn't be.... I could have done four minutes and then done the last minute with my motion, and then we would have had an amendment and everything. I did it with the assumption that I'd be able to do my question afterwards. It's just a short question.

The Chair: The clerk has informed me that I have discretion on this, so I'm not going to take away from Mr. van Koeverden's time.

Mr. Adam van Koeverden: Thank you, Mr. Chair.

As I was saying, the Conservatives have continually suggested that the United States is lowering their emissions in the absence of any market-based instruments like carbon pricing or cap and trade. However, as I said, 12 states are home to over a quarter of the U.S. population and account for a third of GDP in the U.S.A. That includes California and 11 western states, as well as Washington state and others.

Would you characterize that as the absence of a carbon tax or the absence of any carbon-pricing mechanisms?

Mr. Jerry V. DeMarco: There are carbon-pricing mechanisms in several states.

It should be recalled that subnational governments in Canada—Alberta, British Columbia and Quebec—were well ahead of the federal government in enacting carbon-pricing regimes. That's common to both countries: In the U.S., states took the initiative and enacted a price on carbon, and in Canada, the early adopters were Alberta, British Columbia and Quebec, if I recall correctly.

Mr. Adam van Koeverden: Thank you.

It was Ontario as well, with cap and trade.

Mr. Jerry V. DeMarco: Yes. I think it was a little later than the other three and it was short-lived, but yes, Ontario did so as well.

Mr. Adam van Koeverden: It's worth pointing out that it was short-lived because it was cancelled by Premier Doug Ford.

Provincial governments have also taken credit for decisions such as, in the case of Ontario, eliminating coal-fired power. When a provincial government took the initiative and eliminated coal-fired power from the grid in Ontario, how did that have an impact on overall Canadian emissions at the time?

Mr. Jerry V. DeMarco: We have in our report the exhibit of the overall emissions, exhibit 7.1, but we can make available the underlying data to show that individual sectors have very different profiles.

Including the phase-out of coal-fired generation in certain jurisdictions had a huge effect on the profile for the electricity sector. It was rising in the nineties in transportation and oil and gas, but then it turned the corner and came down.

Mr. Adam van Koeverden: It might seem like a simplistic question, but would you recommend that provinces phase out coal in order to reduce our emissions?

Mr. Jerry V. DeMarco: Well, there's a regulation to that effect. It's not up to me to recommend policy, but there is a regulation that is supposed to make the attainment of the 90% renewable target in our Report 8 attainable. That's on the books already.

Mr. Adam van Koeverden: Okay. Thank you.

Your report on the Net-Zero Emissions Accountability Act concluded that the pollution cap was facing “significant barriers”. Would you characterize the “scrap the cap” campaign from the Alberta government—driving Quebec trucks around Ottawa with their large illuminated billboards—as a significant barrier to the cap on pollution in the oil and gas sector?

• (1750)

Mr. Jerry V. DeMarco: Are you asking me how much the ad campaign is extending the timelines for that?

Mr. Adam van Koeverden: No, just provincial opposition to—

Mr. Jerry V. DeMarco: Okay. You mean what we're calling “multi-jurisdictional challenges”, as opposed to an ad campaign.

Yes, multi-jurisdictional challenges affected the timelines of several of the measures; however, the federal government does not have to keep consulting until they reach consensus. They do have the constitutional jurisdiction to enact regulations under CEPA and to enact a price on pollution under the Greenhouse Gas Pollution Pricing Act.

Consultations shouldn't just keep going forever until a consensus is reached. At a certain point, a government has to make a decision.

Mr. Adam van Koeverden: I agree with you, Mr. Commissioner. I don't think there's been a consensus reached, yet just recently we did make an announcement that we were putting in place the cap on pollution.

Would you say, then, that you believe our government's announcement changes that assessment of the hurdle that we were faced with months and years ago with respect to the implementation of the cap on pollution in the oil and gas sector?

Mr. Jerry V. DeMarco: It doesn't change our conclusion, because our report was based on the projection that the emissions cap would come in 2025, and that's still currently the plan. We're saying that it is slower than was anticipated when it was announced in

2021, so it is behind schedule. It's now on schedule for the updated behind-schedule schedule, if you know what I mean.

Mr. Adam van Koeverden: One thing that we didn't address in this meeting is that in 2021 our government put in place a far more ambitious target of reducing our emissions by 40% to 45%, rather than the previously ordained 30%. One of my colleagues from the Conservative Party suggested that when I said we have already far exceeded that, with our projections being at 36%, that's what I was referring to.

We still have work to do in order to get to 40% to 45%: Four per cent is what our calculations indicate. We need more measures to lower our emissions. We need more provincial involvement and engagement on this. We need every jurisdiction to actively lower their emissions.

Would you agree with those characterizations?

Mr. Jerry V. DeMarco: I'll give a quick answer.

I can't remember all the characterizations right off the bat—

Mr. Adam van Koeverden: We need more climate action, not less.

Mr. Jerry V. DeMarco: —but we do need more measures. It's not just 4% between 36% and 40%, because the 36% may be overly optimistic. You probably need a little more than 4%.

[*Translation*]

The Chair: Ms. Pauzé, you have the floor.

Ms. Monique Pauzé: I will yield my time to Ms. Elizabeth May.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Thank you, Ms. Pauzé.

Good evening, Commissioner.

[*English*]

I want to focus on law and quickly look at whether the way we structured Bill C-12 and the Net-Zero Emissions Accountability Act is part of the problem. This goes back to Taylor's point about timelines. If this is outside of anything you've studied, just stop me cold.

There are about 60 countries around the world with climate accountability acts. The most successful, I would say, was probably the first, which was the U.K. It brought in a climate accountability act in 2008, and its first milestone year was five years later, in 2013. There are milestone years that are the same thing—five years from bringing it in. New Zealand's was five years from bringing it in. Ireland's was five years from bringing it in. It was the same for Germany. I think Canada is the only country around the world that put its first milestone year so far out from when the legislation was brought in.

Again, to the political horizon question, has your office or has anyone on your team looked at this as a fundamental problem with our accountability, in that we deliberately and politically put the first test of accountability far away from the political decision-makers who passed the law?

Mr. Jerry V. DeMarco: We take our direction from Parliament, and it's up to parliamentarians to choose collectively what is in a new piece of legislation, and so on.

As I mentioned, lesson number 8 from our 2021 report does indicate that Canada struggled with addressing long-term problems. I've given one example that is actually from the U.K.—although I didn't mention it was from the U.K.—in terms of carbon budgeting, which is to bring a long-term problem into an annual deliverable. That's one example.

Whether it's set in legislation or not is a question for parliamentarians. However, creating yearly targets, whether it's by sector or whether it's globally, is one option.

Ms. Elizabeth May: Mr. Commissioner, to your point about setting the carbon budget and paying attention to where we are, as you've noted in a number of reports, our failures to reduce emissions increase costs in the not too far away time horizons that we're seeing, increase costs from climate events in Canada and increase risks to Canadians. That is why adaptation plans are so significant.

When we delay taking meaningful action—the steps we need to take to meet international and domestic goals—would you agree that the costs go up in implementation, as do the risks?

• (1755)

Mr. Jerry V. DeMarco: Yes. From a global perspective, the longer that Canada and others do not make the transition towards a net-zero economy and a net-zero society, the larger the price tag will be for extreme weather events and so on.

The Chair: Thank you.

Thank you, Ms. May.

We'll go to Mr. Bachrach.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

I've been listening carefully to the department's words and to the commissioner's words around this question of whether Canada is on track to meet the 2030 commitment.

If I understand correctly, the department's statement that Canada is on track relies not only on progress to date but also on a suite of measures that have yet to be announced and that have yet to be implemented.

I see a gentleman from the department nodding, so I'll take that to be accurate.

The commissioner has found in previous reports that by the time almost every measure the government has announced is implemented, it has been both less stringent than originally intended and more delayed, including the oil and gas emissions cap, notably.

Does the department's estimate account for the government's lacklustre track record when it comes to implementing measures on

time and implementing them at the originally intended level of stringency?

Mr. Vincent Ngan: I believe this is a question for me, the representative from Environment and Climate Change Canada.

I would tackle this question, Chair, in the following way.

Number one, I fully agree that the commissioner identified, through this report, a number of measures that are experiencing delays. In fact, the commissioner has also identified that some of the causes of delay are due to multi-jurisdictional impacts. Having a robust regulatory development process will take time. It will need negotiation, discussion and consultation with provinces, territories and Canadians. Therefore, we fully recognize that as fast as we would like to run, sometimes it is not up to the Government of Canada to determine the pace of how certain regulatory developments will be undertaken.

That being said, we also understand that there are regional circumstances and that we would need to fine-tune the regulatory instruments by engaging with Canadians and implicated parties. That could be more stringent or less stringent. The pace could be faster or slower, depending on the market, the sector and the buy-in.

Number three, in terms of whether some of these refinements would be reflected, pursuant to the Canadian Net-Zero Emissions Accountability Act, Canada is required to table a progress report in 2023, 2025 and 2027. For—

Mr. Taylor Bachrach: If I could cut you off, I think that's a pretty comprehensive response. I followed most of it.

I want to ask one quick question of the commissioner, if I may. I have only two and a half minutes. The chair is distracted, so this is the perfect time to fit it in.

Voices: Oh, oh!

Mr. Taylor Bachrach: Commissioner, of all the strategies the government has implemented and that you've tracked, have you ever seen one turn out to be more stringent and implemented more quickly than was originally intended?

The Chair: Okay, we have to stop there. We're well over time. I was distracted by another member. I think it was probably some kind of tag-team play or something.

We'll now go to Mr. Leslie.

Is it Mr. Leslie? I have Mr. Leslie twice.

Mr. Branden Leslie: It's up and down.

How long is it?

The Chair: It's five minutes.

Mr. Branden Leslie: Okay. Thank you, Mr. Chair.

Commissioner, through your audit, you discovered that the Liberals have not conducted value-for-money assessments on five of their measures.

What does that mean, and why do you think they should have?

Mr. Jerry V. DeMarco: Value for money is very important, because several of these measures have substantial price tags associated with them, in terms of Canadian taxpayers, the private sector or the government itself, in the case of subsidies.

Value for money is important. A proper value-for-money assessment gives Canadians the sense that they're getting good bang for their buck. I'm using a more colloquial term for the use of taxpayer money. Essentially, you're showing a calculation to Canadians that we're spending billions of dollars and expecting X value. You quantify that. We've talked about that here, and we talked about that in the net-zero accelerator report from earlier this year.

In a nutshell, it's an important accountability measure.

• (1800)

Mr. Branden Leslie: I agree.

Through your audit, did the department explain why they wouldn't do that?

Mr. Jerry V. DeMarco: Ms. Leach will address that.

Ms. Kimberley Leach: Yes. Thank you.

There's a good explanation for that.

We made a recommendation. Recommendation 7.34 is that the government "establish a government-wide approach and guidance for value-for-money assessments". Environment and Climate Change Canada only partially agreed with that recommendation. The reason that they stated is that value in federal decision-making is very multi-faceted. It includes things like society, culture, health, and indigenous and territorial relations, which are outside the remit of ECCC.

There are many things that are important besides money.

Mr. Branden Leslie: Thank you.

You mentioned a whole-of-government approach, which is a term that gets thrown around a lot. However, you also alluded to some of the silos that certainly still exist across departments.

When the government has attempted to undertake this many measures—maybe not successful measures, but measures nonetheless—and claims a whole-of-government approach, how do you explain the silos that still continue to exist, which lead to things like the double-counting of emissions, a lack of credibility in terms of modelling, and going back to the previous audit on the two billion trees program? How does that happen so frequently under this government?

Mr. Jerry V. DeMarco: That's one of the conclusions from our first report under this act from the fall of last year. It's that the system Canada uses in coordinating the efforts in a horizontal way—which is the term used by the federal government in Canada—has not nailed that yet, essentially. I'm just talking about the federal government and ignoring the other jurisdictions for now.

There are problems in terms of coordinating among Environment and Climate Change Canada, NRCan, ISED and so on. Without having a central agency or a central approach to this, you have the

potential for, and the actual fact of, double-counting and even sometimes cases of working at cross-purposes.

Our recommendations from our first report last fall, if implemented, could help address that very important problem in terms of siloed approaches at the federal government level.

Mr. Branden Leslie: Thank you.

You mentioned in the audit that getting closer to closing the gap on the 2030 targets was attributable to revisions in data and modelling methodologies. Can you explain what those changes were?

In your experience, have you ever seen a government make changes to its data modelling that took it further away from the target it's trying to reach, or only closer to it?

Mr. Jerry V. DeMarco: These updates to the modelling are done to make the projections more accurate.

It's not just Canada doing them. Some of them come from calculations about the warming potential of various greenhouse gases—not just CO₂, but the other ones as well. Ms. Leach can explain that in greater detail.

To answer your last question, I don't know, for each time they've modelled it, whether it's brought them closer or further. The point isn't to remodel to make it further or closer; it's to make it more accurate.

Ms. Kimberley Leach: We have people from the department here who can tell you more exactly about the differences in the modelling.

We have pointed out in paragraph 7.26 that some of the initial estimates of emission reductions were high in the beginning.... Sorry; they were different. The revised estimates were lower than originally anticipated in six of the 12 funding measures that we looked at, which means the modelling was not as accurate in the beginning as it could have been.

• (1805)

The Chair: Thank you.

We'll go to Mr. Ali, please.

Mr. Shafqat Ali (Brampton Centre, Lib.): Thank you, Chair, and thank you to the witnesses for being here today.

My question is for Commissioner DeMarco.

In a previous audit, you suggested that an ecosystem approach should be taken to Species At Risk Act implementation.

In your view, how could such an approach reduce the number of species requiring assessment by the Committee on the Status of Endangered Wildlife in Canada? Could this also better support positive outcomes for species?

Mr. Jerry V. DeMarco: Thank you for the question.

That is report 9. It's good that we're getting some attention for some of the other reports. I was starting to think that I brought a big binder here for no reason.

SARA is quite a process-heavy piece of legislation. Should Parliament revisit it, that is one of the things that could be looked at. Instead of going through all of the thousands of species in Canada one by one, from status assessment to listing to management planning to recovery implementation to monitoring and to evaluation, they could consider designating endangered ecosystems and endangered habitats, capture all of the species within that habitat all at once and take an integrated approach.

At this stage, in the way SARA is written, the multispecies approach is just done at the end as an option in recovery. However, if the act is revisited, it could be done all the way through assessment, listing, management planning, recovery and monitoring.

Mr. Shafqat Ali: Chair, I'll share the rest of the time with Mr. van Koeverden.

Mr. Adam van Koeverden: Thanks, Mr. Ali.

My questions concern the oil sands and multi-jurisdictional challenges.

I would generally ask you, Mr. DeMarco, but is there somebody else to whom I should be framing my questions to discuss oil sands emissions?

Mr. Jerry V. DeMarco: The department is here, so if you have specific questions about that sector, the officials could assist.

Mr. Adam van Koeverden: Okay. I'll ask my questions of both the department and you.

In 2022, oil sands emissions in Alberta were around 87 megatonnes. That had more than doubled since 2006, when they were around 41 megatonnes. As I said, the Province of Alberta has spent \$7 million on this ad campaign, and that includes search engine optimization for the words "pollution", "emissions" and "cap", so if anybody out there wants to google "emissions cap" to learn a bit about it, they're first confronted with this oil sands-funded corporate propaganda campaign to suggest that it will completely obliterate our economy in Canada.

We know that oil and gas and energy are worth about 5% of our GDP, but they account for 31% of our emissions. The suggestion the Alberta government is making is that it would like to set a cap on emissions just for the oil sands, but it would like to set the cap above where emissions currently are. Alberta doesn't want to commit to any reductions; it wants to create space for more oil sands emissions and it would like to set that at 100 megatonnes. With our goals, if we were to achieve our 40% reduction by 2030, the oil sands would account for more than 20% of Canada's emissions overall.

Do you think it's fair that one part of one sector should account for a fifth of Canada's total emissions?

Mr. Jerry V. DeMarco: All the sectors need to reduce emissions to ultimately get to the 2050 target of net zero. In Canada's profile, the largest sector—and it's been growing in terms of emissions—is the oil and gas sector.

We talked about the difference between production and emissions earlier, but the problem with the oil and gas sector line in terms of emissions rising from 1990 to now is that the total emissions have gone up, even though emissions intensity has improved. Production has increased at a faster rate than innovation for efficiency.

If that had been able to hold constant—in other words, with rising production being offset by efficiency gains—

Mr. Adam van Koeverden: I appreciate that. I don't want to cut you off, but I was talking about the oil sands specifically.

We know the emissions intensity for oil sands specifically has actually increased. It hasn't decreased. They've improved the efficiency of other oil and gas products, but oil sands bitumen production has become more emissions-intensive. We've had oil and gas CEOs here to corroborate that, and they say it's because the products are farther away from their refining facilities.

To be clear, though—and I could broaden my question to include the department—is it possible to achieve our targets of lowering our emissions, mitigating climate change, playing a strong leadership role in the world and demonstrating that oil- and gas-producing nations can be leaders on the world stage in taking climate action if the Alberta government and the oil sands sector are not willing to reduce their emissions?

They're setting targets that allow them to have a 15% increase from here on out.

• (1810)

The Chair: I'm afraid we're way over our time, so I'm going to have to stop you there, but—

Mr. Adam van Koeverden: Can I ask them for a yes or no?

The Chair: Yes. Answer yes or no.

Mr. Vincent Ngan: The only thing I can say is the emissions reduction plan tackles all of these sectors: oil and gas, transport, buildings, heavy industry, agriculture, electricity and waste. Therefore, we are making sure that we're decarbonizing key sectors of the economy at the same time.

The Chair: Okay.

We have about 15 minutes, so what I'm going to do is give three minutes to each party. Is that okay?

We'll have Mr. Kram, Madame Pauzé, Mr. Bachrach and—I need a Liberal for three minutes—Madame Chatel. Okay.

Mr. Kram, go ahead. You have three minutes.

Mr. Michael Kram: Thank you, Chair.

Thank you again to the witnesses.

Commissioner, I have one final question on report 7. On page 7, you identified the small modular reactor action plan as “facing implementation challenges”.

Could you elaborate on what implementation challenges the small modular reactor action plan is facing and what the holdup seems to be?

Mr. Jerry V. DeMarco: The details on that are provided in appendix B.

The small modular reactor action plan implementation is facing challenges in three categories. These are “Timeliness”, so the measure was delayed; “Expected emissions avoided”, so there had been no assessment of the expected emissions avoided for this measure, as we heard earlier; and there had not been an assessment of “Value for money”. It faced all three of those types of challenges in our detailed analysis, which is found in appendix B.

Mr. Michael Kram: Thank you, Commissioner.

Let's shift gears now to Report 6 on the critical minerals strategy. How many critical minerals mining permits have been issued since the launch of the critical minerals strategy?

Mr. Jerry V. DeMarco: I certainly don't know the answer to that.

I'm not sure if you would know, James.

Mr. James McKenzie (Principal, Office of the Auditor General): No. Probably the department would be best for that.

Mr. Jerry V. DeMarco: I would say that NRCan would be the best source of information on that, but of course permits are mostly provincial or territorial, not federal. Keep that in mind as well.

Mr. Michael Kram: Do any of the department officials want to take that?

Mr. Rinaldo Jeanty: That is actually correct. It's mainly on the provincial level that the permits would be issued.

For example, fisheries permits that could be issued. We have explosives permits that could be issued. Absolutely, we could provide you with them, but the provinces and territories have the main responsibility when it comes to permits for mining.

Mr. Michael Kram: Okay, but does that include uranium mining? I believe uranium mining permits are federal, are they not?

Mr. Rinaldo Jeanty: Uranium is on the list of critical minerals—

Mr. Michael Kram: Okay.

Mr. Rinaldo Jeanty: —and we'd have to go back and verify that in terms of permitting.

Mr. Michael Kram: If you could provide that answer in writing, I would appreciate it.

In your assessment of the critical minerals strategy, did you review how Canada's regulatory approval timelines compare to those of our international competitors?

Mr. Jerry V. DeMarco: I don't believe we did a comparison in terms of the timelines for approval, and of course that would change by province and territory, because there is no one timeline for approving a mine in Canada.

As we just heard, the main permitting authorities are provinces and territories. There would be many different timelines depending, on the jurisdiction.

Mr. Michael Kram: Mr. Chair, how am I doing for time?

The Chair: You're pretty much done.

Mr. Michael Kram: Thank you.

The Chair: Madame Chatel is next.

[*Translation*]

Mrs. Sophie Chatel: Thank you, Mr. Chair.

I'd like to come back to a point that was made earlier.

My Conservative colleague, Mr. Leslie, said earlier that he was interested in the cost-benefit relationship of certain measures and value for money.

However, the most effective measure, according to many economists and conservatives, is really carbon pricing. Economists talk about it not only in terms of cost versus benefit, but also in terms of intervention.

Mr. DeMarco, you said that, if we don't have carbon pricing to achieve our objectives, we need to make regulations and introduce caps in all sectors. We need to encourage players in the sector to act or invest. We need to explode our deficit and invest in decarbonization projects.

What is your opinion on the cost-benefit relationship in relation to carbon pricing?

● (1815)

Mr. Jerry V. DeMarco: I didn't bring our 2022 report on carbon pricing, but I recall that the first few pages provide a summary of the various organizations, including the Organization for Economic Co-operation and Development, or OECD, and the World Bank, that have found it to be effective in reducing greenhouse gas emissions, if implemented in an appropriate manner.

You could go and consult them. In our audit, we found that there were problems, and we made recommendations to improve carbon pricing in Canada.

Mrs. Sophie Chatel: I'd like to come back to what I said about California. I was mistaken. In 2024, it is the world's fourth-largest economy. If California were a country, it would be the fourth largest economy in the world, ahead of Japan.

However, California has implemented a carbon pricing system. When I hear conservatives say that this measure doesn't exist in the United States, I don't know what planet they live on.

[*English*]

Mr. Gérard Deltell: I have a point of order, Mr. Chair.

[Translation]

The Chair: One moment, there's a point of order.

Mr. Gérard Deltell: I rise on a point of order, Mr. Chair, since the member is alluding to what I said.

I never said that no state had a carbon tax.

Mrs. Sophie Chatel: Your colleague said that.

The Chair: This is not a point of order.

It has been said that the United States has no—

Mr. Gérard Deltell: We talked about the United States.

The Chair: The United States includes California.

Mr. Gérard Deltell: Does this also include Wisconsin?

[English]

Mr. Adam van Koeverden: On this point of order, Mr. Chairman, I'm just curious if Mr. Deltell—

[Translation]

The Chair: Excuse me for interrupting, Mr. van Koeverden, but there is a point of order.

[English]

What's your point of order?

Mr. Adam van Koeverden: My question is if Mr. Deltell would like to clarify if he's referring to Quebec's price on pollution or Canada's price on pollution.

[Translation]

The Chair: I think we're going off on a tangent that isn't constructive.

[English]

Mr. Gérard Deltell: Finish your question. It will be my pleasure to clarify.

[Translation]

Mrs. Sophie Chatel: I'd like to speak on the point of order.

The Chair: Ms. Chatel, you have about 20 seconds of speaking time left.

Mrs. Sophie Chatel: I'd like to say something about the point of order.

The Chair: The question rounds took place this afternoon, Ms. Chatel. We're no longer there.

Ms. Chatel, you have 20 seconds to make a statement, a comment, or to ask a question.

Mrs. Sophie Chatel: Thank you, Mr. Chair.

It's good that we clarified the question.

Mr. Ngan, you said that the additional measures that have been tabled before Parliament will make it possible to achieve the objectives. In the report, it's clearly stated that additional measures need to be put in place.

Can you tell us about any possible solutions or other measures you're currently exploring?

The Chair: Unfortunately, we won't have time to get the answer to your question.

Mrs. Sophie Chatel: I think my colleague cut me off because he didn't want to hear the answer.

The Chair: Ms. Pauzé will perhaps ask the same question.

Ms. Pauzé, you have the floor for three minutes.

Ms. Monique Pauzé: Earlier, I mentioned that small modular reactors are designed to power the oil sands industry. Something else along the same lines is the clean electricity regulations. Several exemptions, extension programs and other loopholes are designed to allow increased and prolonged use of fossil fuels.

Commissioner, in your expert opinion, even if the government were to hurry, wouldn't the clean electricity regulations allow for further emissions reductions?

I'll give you our suggestions. If these regulations didn't allow fossil fuel generation beyond 2035, if the emissions standards were strict and didn't rely on offsets, if there were interim targets between now and 2035, and, finally, if the framework proposed a performance standard for existing fossil fuel-fired generators before 2035, it seems to me that we'd have a real program, i.e., one that would enable us to achieve our objectives.

What do you think?

• (1820)

Mr. Jerry V. DeMarco: I am evaluating current requirements, not those that may be implemented in the future.

What I can say is that, in our report 8, we analyzed the target of 90% of electricity generated from renewable, non-emitting sources.

In the long term, the target is 100%. In the federal sustainable development strategy, the target for clean electricity production from non-emitting sources is 100% in the long term.

Ms. Monique Pauzé: Is this feasible, despite all the loopholes that are allowed?

Mr. Jerry V. DeMarco: You can ask the department officials about that. In theory, the long-term target is 100%, and it's 90% by 2030.

Ms. Monique Pauzé: All right.

The report also mentions the fact that the government has missed opportunities to improve transparency. This is something that hasn't been addressed to date.

Can you tell us about it?

Mr. Jerry V. DeMarco: The third part of our report relates to the Canadian Net-Zero Emissions Accountability Act. We reviewed the December 2023 progress report, and found that the government could improve transparency. This lack of transparency is not new. The Government of Canada and Environment and Climate Change Canada can improve the transparency of their progress reports, modelling and projections.

It is very important that Canadians know that the calculations, projections and results are reliable.

The Chair: Thank you very much.

Mr. Bachrach, you have the floor.

[*English*]

Mr. Taylor Bachrach: Thank you, Mr. Chair.

Commissioner, I'll repeat the question with which I ended my last round, and that was around whether any of the government's strategies, in your view, have become more stringent as the result of consultation.

Mr. Jerry V. DeMarco: I think the department would have a better sense of how they've changed. Do you mean by strategies or measures?

Mr. Taylor Bachrach: I mean any of the tools.

Mr. Jerry V. DeMarco: Departments know their internal deliberations as to whether they get more stringent or less after consultation, so I would suggest that the department answer that question.

Mr. Taylor Bachrach: Go ahead, Mr. Ngan.

Mr. Vincent Ngan: There are 144 measures under the emissions reduction plan, and therefore some calibration will be made. I'm not able to say what is more stringent.

That being said, the carbon price is more stringent every year.

Mr. Taylor Bachrach: Commissioner, you mentioned carbon budgets previously. Could you very briefly describe what the advantages of a carbon budget approach would be?

Mr. Jerry V. DeMarco: We're taking our mandate under the act seriously by reporting annually on Canada's progress. Carbon budgeting is another way of essentially annualizing a long-term problem with short-term deliverables. It's not dissimilar to the work that our office does on the financial side. It's essentially checking whether things add up year by year in terms of a pathway.

I mentioned earlier the curve in order to get from here to 2030 and then from there to 2050. You segment that out into annual budgets that say that Canada as a country will have this amount as a maximum for carbon emissions for this year or for these sectors. You could break it down by sector as well. Those are essentially the basics of carbon budgeting.

• (1825)

Mr. Taylor Bachrach: How many G7 countries utilize a carbon budgeting approach?

Mr. Jerry V. DeMarco: That's a good question. I don't know how many, but Ms. Leach knows. There's at least one that we both know of, but I don't know if there are others.

Ms. Kimberley Leach: I don't know all of them, but the U.K. has a very successful carbon budget.

Mr. Taylor Bachrach: Which G7 country has shown the most progress in reducing carbon emissions over the past number of years?

Ms. Kimberley Leach: It's the U.K.

Mr. Taylor Bachrach: Is it a coincidence that the country that seems to be doing the best also uses carbon budgeting?

This is something that we pushed for when it came to the Net-Zero Emissions Accountability Act, and we could not get the Liberals to agree to a carbon budgeting approach, despite its demonstrated effectiveness when it comes to communicating progress to the public, tracking progress over time and holding governments accountable every single year.

This is the last question, Commissioner.

If Canada were to switch to a carbon budgeting approach immediately, would there be any downside? Could we switch to a carbon budgeting approach tomorrow? Would that contribute to getting back on track and accelerating our progress towards 2030?

Mr. Jerry V. DeMarco: The choice of tools is up to the government, and if it's in legislation, it's also up to parliamentarians in terms of that choice, but—

Mr. Taylor Bachrach: No, I'm speaking hypothetically.

Mr. Jerry V. DeMarco: We've certainly mentioned it in a previous report, because having that annual accountability does have the attractiveness of improving the chances of meeting a target. I believe, if I'm not mistaken, that the U.K. not only sets budgets but has also met their budget the last three times in a row, I believe.

[*Translation*]

The Chair: Thank you very much.

This concludes our meeting.

Thank you, Commissioner. It's always a pleasure to have you at the committee. We'll see you again before the holidays to discuss the government's policies for reducing greenhouse gas emissions. Thank you for your comments, your analysis and your encouragement to achieve our goals.

Dear colleagues, we'll see you next Monday.

The meeting is adjourned.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :
<https://www.noscommunes.ca>