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Chair: Mr. Francis Scarpaleggia





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• (1105)

[*English*]

**The Chair (Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.)):** We can start.

Welcome, Commissioner. It's nice to see you again. This time it's on Canada's emissions reduction policies, which is a topic you've broached a number of times.

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

**The Chair:** Yes, Mr. Mazier.

**Mr. Dan Mazier:** I wonder if we have any intention of getting the minister here on the supplementaries.

**The Chair:** I haven't had a confirmation. We invited him for the 4th. He couldn't attend, which is why we did the net zero accelerator.

That's a good question you raise about the supplementaries, because I believe, as of Tuesday, hopefully, the estimates will have been adopted. Looking at the supplementary estimates becomes a moot point for us, because they will have been adopted by the House, hopefully.

**Mr. Dan Mazier:** The better an understanding we have of what the government is spending the money on—

**The Chair:** You're saying you want the minister back.

**Mr. Dan Mazier:** Yes, please.

**The Chair:** I'll check with his staff and we'll see what happens.

Commissioner, the floor is yours. Go ahead, please.

**Mr. Jerry V. DeMarco (Commissioner of the Environment and Sustainable Development, Office of the Auditor General):** Mr. Chair, we are happy to appear before your committee this morning.

I would like to acknowledge that this hearing is taking place on the traditional unceded territory of the Algonquin Anishinabe people.

With me today are Kimberly Leach, principal, and Elsa Da Costa, director. They have conducted much of the audit work on climate change we have undertaken in recent years.

Since 1990, Canada has set out many plans, measures and targets to reduce greenhouse gas emissions, but no target has been met. According to Environment and Climate Change Canada, national emissions in 2022 were 708 megatonnes. This is 7% lower than in 2005, but 16% higher than in 1990. According to the department's

most recent projections, with existing measures, Canada will not deliver on its commitment to reduce emissions by 40% to 45% below 2005 levels by 2030. While Canada's overall emissions have increased since 1990, some sectors have achieved reductions, with the electricity sector leading the pack.

The good news is that there is still time to meet the 2030 target, but it will not happen without a significant shift toward implementing effective actions. The time is now to take stock of existing policies and plans, and to consider lessons learned from past efforts.

In November 2021, I provided to Parliament a report that sets out eight lessons learned from Canada's record on climate change. The report is based on three decades of audits focused on Canada's action, and inaction, on the enduring climate crisis. Given Canada's disappointing track record in addressing climate change, we urge the government to ensure its plans and actions work to meet its targets. At the time of our 2021 report, we noted that implementing the measures then in place was expected to yield reductions of 36% by 2030.

To help frame discussions on climate change such as this one, the lessons learned report also sets out critical questions for parliamentarians to consider as levers to prompt action against commitments. We have provided these in an appendix to this statement for your reference.

[*Translation*]

Environment and Climate Change Canada's first report under the Canadian Net-Zero Emissions Accountability Act was produced in 2023. It indicates that there is still a gap between the expected results of current actions and meeting the 2030 target. This legislation, if implemented diligently, should help establish the accountability and oversight framework needed to reduce emissions and achieve targets.

Since 2021, our office has reviewed approximately 40 of the more than 140 measures outlined in the 2030 Emissions Reduction Plan or in the progress report. Our most recent report on the subject, tabled last month, identified common systems that emerged from our findings, including delays in implementing measures, unreliable emission reduction estimates, and lack of transparency.

In our audit work, we noted that many experts and international organizations agree that a set of policies including a range of measures, such as regulations and carbon pricing, can contribute to significant emission reductions if measures are sufficiently stringent and applied on a large scale.

The ongoing climate change crisis is more important than ever. We are at a crossroads, both globally and domestically, and we have to make tough decisions about managing climate change and the kind of world we want to leave for future generations.

It's clear that new or improved measures are needed to put Canada on the right track toward meeting the 2030 emissions reduction target. In this context, "on the right track" means three things. First, we need a plan with concrete measures to meet or exceed the targets. Second, there must be reliable modelling of the reductions that the plan seeks to achieve. Finally, the implementation of measures must be effective and result in significant reductions from year to year.

• (1110)

[English]

Mr. Chair, this concludes my opening remarks. We are happy to answer any questions the committee may have.

**The Chair:** Thank you, Commissioner.

We'll dive right into questions.

Mr. Mazier is up first.

**Mr. Dan Mazier:** Thank you, Chair.

It's nice to see you again, Commissioner, and others.

Commissioner, last week the industry department testified on the government's \$8-billion net zero accelerator fund. Was there anything the department said that concerned you?

**Mr. Jerry V. DeMarco:** Yes, there was.

**Mr. Dan Mazier:** Can you elaborate?

**Mr. Jerry V. DeMarco:** I'm used to your starting with quick yes or no questions. I was prepared this time.

**Voices:** Oh, oh!

**Mr. Jerry V. DeMarco:** To start off with, as you recall, our report indicated that they had just over six megatonnes of bankable reductions in the contribution agreements, yet last week the department assured that they were on track to meeting Environment and Climate Change Canada's hoped-for emissions of 19 to 20 megatonnes. I would have liked to hear where those other reductions are coming from—by which facility, by which date and how confident they were—because that's a big gap, between six megatonnes and 19 to 20 megatonnes.

It's easy to assert that one is on track, but I'd like to see the evidence for that, and we didn't see the evidence for that when we did our audit.

**Mr. Dan Mazier:** Commissioner, the government is refusing to tell Canadians what the emission reduction target is for the \$8-billion net zero accelerator fund. Have you ever seen an emission reduction target protected under cabinet confidence before?

**Mr. Jerry V. DeMarco:** I believe there's that example, and there was also the oil and gas percentage in our first net-zero act report from November of last year. That was also the subject of some questioning at a committee, regarding the cabinet confidence behind the, I think, 31% figure in that report. Those are two examples.

**Mr. Dan Mazier:** Do you view it as problematic?

**Mr. Jerry V. DeMarco:** Most certainly. From a transparency and accountability point of view, these measures cost taxpayers, industry or government considerable sums to implement. We would like to see at least an estimation of essentially the value for money in these various measures. One necessary element of calculating value for money is to know how many reductions are expected.

**Mr. Dan Mazier:** For \$8 billion, if you don't know what the target is, it's pretty hard to hit it. You can change the rules as you go along.

The government gave a company by the name of PowerCo \$700 million through the net zero accelerator fund. The government claimed that the net zero accelerator fund was needed to reduce emissions. However, the industry department could not tell this committee how many emissions, if any, were reduced by this \$700-million handout.

Do you view this as problematic?

**Mr. Jerry V. DeMarco:** Our concerns about accurate estimations of emissions reductions primarily fall within those grants and contributions related to pillar one of the three pillars of the net zero accelerator.

Having said that, if that amount of money is going out the door, there should be some estimation of the benefits. Whether they can make a concrete estimation of exact greenhouse gas emissions reductions...perhaps not, but there should be at least some evaluation and publication for Canadians of the value that is going to be reaped from that subsidy, rather than a "just trust us" sort of approach.

• (1115)

**Mr. Dan Mazier:** Yes, we know how "just trust us" works.

Commissioner, the environment committee ordered the government to hand over all contracts for their \$8-billion net zero accelerator fund. However, the government ripped out over 360 pages of those documents. This prevented our committee from seeing what the \$8 billion was spent on.

You've seen the contracts. Do you see any reason why the government would actually be hiding this information from this parliamentary committee?

**Mr. Jerry V. DeMarco:** I'm more familiar with our free access provisions in our legislation, so we're able to see those documents. I'm not an expert in the rights and privileges that committees and the House or the Senate have in terms of access to documents. You would have to consult with the committee clerk and counsel on that.

I do have a concern in general regarding that amount of money going out the door without enough disclosure of the documents or at least disclosure of the benefits that are going to arise from those documents.

If there are trade secrets within the documents or other confidential information, I understand that, but there should at least be transparency in what the expected outcomes are. If that can be quantified, especially under pillar 1 of the net zero accelerator in terms of greenhouse gas emission reductions, that's all the better.

**Mr. Dan Mazier:** There was definitely information in there, to rip out 360 pages. Is there any information they should be adding in there? I think you explained that intellectual property and things like that are sensitive. Meanwhile, what are the \$8 billion doing and how are they reducing emissions?

Obviously, that's a pretty narrow scope and you should be able to see some kind of benefit for that.

**The Chair:** We're going to go to Ms. Taylor Roy now.

Thank you.

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

Thank you, Mr. DeMarco, Ms. Da Costa and Ms. Leach, for being here.

I read through some of the lessons learned that you put in here regarding the things we should be asking about.

You've done so much work on this. I would like to ask you some of the questions that you posed to the government because I think you may have some answers and ideas on this.

One thing I want to talk about is lesson 2. You started by saying that no government since 1990 has met its targets for emissions reductions. Governments, obviously of both parties, over time have failed to do this.

It now seems, and this is something you point out, that our economies depend on emission-intensive industries and sectors such as oil and gas. In this, you talk about what we can do to deliver on its promise...for this oil and gas sector to actually meet the targets. You talked about the levers as well.

Can you talk about the cap on pollution that we've put in place for the oil and gas industry?

The oil and gas industry has set its own targets. This cap is basically enforcing that and ensuring that it will meet those targets. There's a lot of controversy about putting in place a cap on pollution. Is this the kind of lever you're talking about that we need or is it something like this?

What else would you suggest to ensure that the oil and gas sector actually follows through on its commitments to reduce emissions?

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

Lesson 2 in our 2021 report is "Canada's economy is still dependent on emission-intensive sectors". We posed several questions for parliamentarians to consider. As I indicated to this committee in prior appearances, because over half of all emissions in Canada are from just two sectors, oil and gas and transportation, Canada needs to get a handle on those sectors. It's a choice for the government and parliamentarians to determine which measures to use, to the extent that some measures are set out in legislation.

However, the fact remains that all sectors need to abate their emissions to meet the target, especially oil and gas, because it's the largest one, accounting for over 30%. The oil and gas emissions cap is the current choice by the current government. Whatever the measure is, there needs to be something to bring that curve down in the oil and gas industry, which electricity, as I mentioned in my opening statement, has been able to do, even with an increase in production over the last 30 years.

● (1120)

**Ms. Leah Taylor Roy:** The oil and gas sector is the only sector that has increased. We've seen a 7% decrease since 2005, but the oil and gas sector continues to increase.

Do you think this lever, a cap on pollution, enforcing what they said they're going to do, will be effective and can help the oil and gas sector actually meet its emissions targets?

**Mr. Jerry V. DeMarco:** Well, it's only a draft regulation at this stage, and the accompanying explanation for it was just released a couple of weeks ago. Obviously, we haven't audited that measure. We've audited about 40 measures, but we wait until they're actually measures, as opposed to just hoped-for measures. I therefore can't say anything about my view on the efficacy of that particular measure, but I agree with the proposition that, if Canada has a total emissions reduction target, it needs to get a handle on the largest sector's emissions in order for it to add up to the total.

**Ms. Leah Taylor Roy:** We see that transportation is coming down and, as you say, electricity, which is fantastic.

I want to turn to the Canadian Climate Institute. We've also heard a lot about measures not working because we're not seeing emissions drop quickly enough. However, the Canadian Climate Institute said:

Impacts of policies will increase over time: some will only have been in effect for a few years, and others will increase in stringency after 2030—the zero-emission vehicle sales standards are a good example.

They give other ones.

You mentioned that the net zero accelerator fund should have at least qualitative descriptions of how we will reduce, if we can't have specific quantitative ones. We also know the department only felt comfortable asking for those when they were meeting our 2030 goals, not our 2050 goals.

Do you agree that we're not going to see the benefits of a lot of these policies and investments we're making right now before 2030, but that we will see them longer term, for example, between 2030 and 2050?

**Mr. Jerry V. DeMarco:** If the benefits are realized, then yes. Many of them are longer term. The same conclusion could be reached in our analysis of the two billion trees program, which we did a couple of years ago.

It's actually not a bad thing to be looking far out. In fact, lesson 8 from that same report we just talked about is about taking a long-term perspective. The longer term the perspective, the harder it is to be specific about the reductions associated with it. However, there can still be some transparency about the anticipated benefits, even if they aren't going to be credibly estimated to a level where you could call them bankable reductions.

**Ms. Leah Taylor Roy:** Thank you.

Regarding the net zero accelerator fund documents, I looked through all of the contracts. There is that qualitative...which says how it would happen. It just isn't specific amounts.

The last thing I want to go to is lesson 4.

We did lesson 2 and lesson 8. Now it's lesson 4, "Canada risks falling behind other countries on investing in a climate-resilient future". We just finished a study on sustainable finance. We're trying to get that report out. Actually, a colleague who's not here today, Madam Pauzé, suggested a letter to try to expedite that.

Do you think the government's work on sustainable finance and getting the taxonomy and some of the reporting requirements in place will be helpful for us in terms of getting more investments in a climate-resilient future?

**The Chair:** Unfortunately, you'll have to give the answer in response to someone else when you have a chance. I'm sorry about that.

[Translation]

Mr. Fortin, the floor is yours.

**Mr. Rhéal Éloi Fortin (Rivière-du-Nord, BQ):** How much time do I have, Mr. Chair?

**The Chair:** You have six minutes.

**Mr. Rhéal Éloi Fortin:** Thank you, Mr. Chair.

Welcome, Mr. DeMarco. It's good to see you here. I myself am a "new kid" here. You probably have more experience with this committee than I do. This is my first time on the committee. I'm replacing my colleague, Ms. Pauzé, who is much more familiar with this type of subject than I am. If you'll bear with me, I'm going to risk a couple of questions.

Report 7 indicates that "no significant new federal measures have been included in the modelling" since the 2022 projections. My understanding is that the targets aren't being met, and it's hard to imagine that they'll be met within a reasonable time.

Do you think the government should implement new measures to meet greenhouse gas emission reduction targets? Or is it that the current measures are sufficient, but not properly applied? How do

you see that issue? In your opinion, should new measures be implemented or not?

• (1125)

**Mr. Jerry V. DeMarco:** Yes, new measures are needed because there is a gap between the 36% reduction rate and that of 40%, which is the minimum. The current measures must therefore be improved or new ones added.

**Mr. Rhéal Éloi Fortin:** Under those conditions, what measures do you think should be added? What more should be done?

**Mr. Jerry V. DeMarco:** The choice of policies is up to the government. In 2021, in Report 5—Lessons Learned from Canada's Record on Climate Change, we identified a gap of four percentage points, which is to say, between 36% and 40%. I'm disappointed that three years later, the same sentence indicating that there's still a 4% gap may appear in our report. This means that new measures or improvements to existing ones are needed.

**Mr. Rhéal Éloi Fortin:** Let me just reinforce that. I could be wrong, but you're sort of the expert on this within government. Your role is impartial, but you serve the government in power and you have a fairly good grasp of these subjects.

I'd like to know what measures should be taken, in your opinion, if we're seriously trying to achieve the objectives that we've set.

**Mr. Jerry V. DeMarco:** We have to stay within our mandate. At the Office of the Auditor General of Canada, we assess measures and performance, meaning value for money and government performance. The choice of measures and policies rests with the government.

Under the Canadian Net-Zero Emissions Accountability Act, another organization, the Net-Zero Advisory Body, has a mandate to make policy recommendations. You could invite those people to testify before you, if you wish.

**Mr. Rhéal Éloi Fortin:** It's certainly a good idea, but I won't be here.

In your opinion, what are the factors that slow down the implementation of planned reduction measures?

**Mr. Jerry V. DeMarco:** We've identified a few in our report this year and in the 2023 report. Negotiations with the provinces are an example. On many issues related to the environment and sustainable development, there is a division of powers between the provinces and the federal government. That is one of the factors slowing down the federal government's work. There is no consensus on many of those measures, which slows progress. When some provinces oppose a measure that others support, the federal government tries to find a consensus, but that's often impossible. In those circumstances, it can take a long time to reach a decision.

**Mr. Rhéal Éloi Fortin:** In your opinion, is the difficulty experienced by the federal and provincial governments in reaching agreement the only reason for the slowdown, or are there other factors slowing down implementation of the provisions?

**Mr. Jerry V. DeMarco:** I was giving you an example, but that isn't the only factor.

In paragraph 11, I believe, we provide a summary of the various criteria that we used to assess the measures.

• (1130)

**The Chair:** Thank you.

We have to stop now, unfortunately.

**Mr. Jerry V. DeMarco:** We see that there are other reasons as well.

**The Chair:** Ms. Collins, you have the floor.

[English]

**Ms. Laurel Collins (Victoria, NDP):** Maybe I'll pick up where Mr. Fortin ended and talk a little more about these underutilized strategies that could help us reduce our emissions faster, but also the stringency of the regulations and policies that we have now. Can you talk about which policies need to be more stringent?

From my perspective, one big reason the stringency hasn't been as strong as it needs to be is the influence of oil and gas. Can you speak at all to the political and lobbying influence of that sector and how it has an impact on these policies?

**Mr. Jerry V. DeMarco:** In order to bridge the gap between Environment and Climate Change Canada's current estimation of 36% reductions from existing measures and 40%, which is the minimum, they could add measures, and as I indicated earlier, strengthen measures or do a combination of both. However, certainly, the bankable measures that are in place now are not sufficient. I should add, as I did in an earlier appearance before this committee, that the 36% estimation is from Environment and Climate Change Canada. We believe a truer number would be lower than that because of some overly optimistic assumptions that are brought into that 36%.

Regardless of whether it's 36%—

**Ms. Laurel Collins:** Mr. DeMarco, could you remind the committee what your estimation is, that lower estimation?

**Mr. Jerry V. DeMarco:** We haven't done a competing number. We just indicated qualitatively that we believe it is something lower than 36% because of the various overestimations and double counting that we uncovered. We haven't gone through all of the 140-plus measures. We've only gone through about 40, so we haven't been able to give a competing number to the 36%, but it is something lower than 36%. That's the best I can do.

**Ms. Laurel Collins:** Are there any plans to go through all of those policies and provide that number in the future?

**Mr. Jerry V. DeMarco:** It's something under consideration. As I indicated before, I'd be more inclined to consider that if they had a plan that on paper added up to what is necessary to meet the target and that would lend itself to an analysis to see whether that actually does add up when you peel back the layers and so on. Until such time as they actually have a plan that meets 40% to 45%, it's not necessarily a great use of resources to indicate that it's an exact number below 36%, because we still just need the gap to be filled first. It's something I'll consider. I had hoped to be in a position to do that earlier, because it was in 2021 that our report said they were at 36% and needed to get to 40%, but here we are, three years later, and we have almost the same sentence in our report.

**Ms. Laurel Collins:** We haven't bridged the gap.

When it comes to increasing the stringency on some of these key policies, we've been pushing for increased stringency on the emissions cap and the output-based pricing system. Can you name a few that you think need to be strengthened and that stringency needs to be enhanced? Then, if possible, could you touch on that piece around the influence of the oil and gas sector on these policies and their lack of stringency?

**Mr. Jerry V. DeMarco:** One example would be from our report on carbon pricing, in which we identified some weaknesses in, essentially, the fairness between the industrial price and the retail or consumer price, especially as regards small businesses and indigenous peoples. Those are the examples we gave there. An increased stringency on the industrial side of the carbon pricing may have an important impact. That's one example but, again, it's a choice for government to make as to whether they want to increase the stringency.

Of course, regulations are another example of where stringency can be increased and, essentially, ambition be ratcheted up, as experience is gained with the application of regulations. Both carbon pricing and regulations are areas where stringency could be included, if that's the will of the government.

• (1135)

**Ms. Laurel Collins:** Wonderful.

When the big oil and gas CEOs came to our committee to testify last spring, they told the members here and Canadians that the emissions cap wasn't necessary because they already had set their own emissions reduction targets. I will note that those targets are not legally binding.

In your mind, is there any evidence that these big companies, such as Suncor, Imperial Oil, Shell Canada and others, will reduce their emissions without stringent regulations like the emissions cap?

**Mr. Jerry V. DeMarco:** It's technically possible for that to happen through voluntary measures, but the track record.... I'm looking down at the graph of greenhouse gas emissions by sector from 1990 to now, which I can provide to the committee after this hearing. The experience to date has been that, even when the oil and gas sector increases the efficiency with which it pollutes, essentially, emissions intensity improvements, those benefits have been outweighed by larger increases in production.

Something is going to be needed to change that curve to better mirror, perhaps, the electricity curve, or some of the other curves that are flat, at least, if not decreasing. Something is needed to get a handle on oil and gas.

**The Chair:** Thank you.

[Translation]

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

**Mr. Gérard Deltell (Louis-Saint-Laurent, CPC):** I'd like to welcome the witnesses, as well as Mr. Fortin, who is joining us for the first time. He's doing that very well, as always.

Commissioner, it's always nice to see you.

We all recognize the need to reduce greenhouse gas emissions, the need to reduce pollution. There are tools to do that. We invest a lot of taxpayers' money in it, but we still have to get results.

I want to talk to you about the Net-Zero Accelerator initiative. It's clear that taxpayers' money is being put into this fund to speed up the process. We need to know what we're talking about and what the targets are. We're mainly talking about \$8 billion which comes from taxpayers. This money doesn't come from the tax; we know that the GST is only used to pay interest on the debt. That money comes from Canadian taxpayers and put directly into this \$8 billion fund.

We talked about this last week in committee. What are your thoughts on effectiveness in meeting the targets? What are your thoughts on this \$8 billion fund that comes from taxpayers?

**Mr. Jerry V. DeMarco:** As I said last week, we have a number of concerns about the Net-Zero Accelerator initiative, including a lack of transparency in value for money. In addition, only five agreements have been signed with companies that received funding to reduce their greenhouse gas emissions. We're also concerned about the lack of horizontal policy in this sector of the industry. I'm concerned about this kind of subsidy in a number of ways.

**Mr. Gérard Deltell:** To take the most impressive example, which has had a lot of publicity, of course, the government gave \$700 million to a foreign firm to set up a plant in Ontario. What is very surprising is that, in the reports to which the committee has had access, some of which are public, we learned that \$700 million in taxpayers' money was used to accelerate zero emissions by 2050. It's \$700 million, but zero targets. How do you explain that?

**Mr. Jerry V. DeMarco:** It's up to the department, not me, to explain to Canadian taxpayers and to parliamentarians and demonstrate value for money. In our report, we expressed the same concerns you raised. There's a lack of transparency in the results that the government is trying to achieve with these very important grants. This isn't a trivial program, it's \$8 billion.

**Mr. Gérard Deltell:** In your opinion, how can we convince people of the importance of a project when we aren't even able to be transparent and, above all, to set a target to reduce greenhouse gas emissions? How do we convince people through that approach?

• (1140)

**Mr. Jerry V. DeMarco:** I talked about that two years ago. If transparency were improved, it would be good for officers of Parliament, like me, and for the committee, because we focus on transparency. It would also be good for Canadians who would know that their money is being used effectively. If they see results, they'll think it's worth fighting climate change. They'll have confidence. That's one of the great benefits of transparency. We can then tell taxpayers that their money is being used effectively and that it's producing results.

**Mr. Gérard Deltell:** As you know, we had access to some documents, but 360 pages were literally blacked out. There was absolutely nothing that wasn't known. Let's be clear: we understand that we want to protect technological and corporate secrets. However, 360 pages were blacked out even though we didn't meet the govern-

ment's emission reduction targets, although taxpayers' money was spent.

You've had access to those documents. In your opinion, is there any information in there that doesn't compromise the companies' privileged information, but that could be important for taxpayers to better understand the situation?

**The Chair:** We're going to have to limit ourselves to a yes or no answer because it's Ms. Chatel's turn.

Mr. DeMarco, you can also choose not to answer at this time and provide a more detailed answer later.

**Mr. Jerry V. DeMarco:** We don't have the version that the committee received, so I haven't compared the two versions.

[English]

**The Chair:** Go ahead, Madam Chatel.

[Translation]

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

I want to welcome our witnesses once again. We are always happy to see them.

A recent analysis by the Canadian Climate Institute concluded that carbon pricing for industries is the main driver of greenhouse gas emission reductions in Canada. Three hundred economists really supported this measure, which they recognized as one of the most effective and least invasive. The Conservative members from Quebec are naturally speaking for their leader by demanding that carbon pricing be abolished.

If carbon pricing were abolished at the federal level, what would the impact be on reduction efforts in Quebec, which has set up a very effective carbon market with California?

Would this unfairly penalize Quebec by leaving it to bear the burden of Canada's climate efforts alone?

**Mr. Jerry V. DeMarco:** We don't know which measure would replace the fee structure. It's difficult to have a concrete conclusion because we don't know all the assumptions and variables. I don't know whether that can have a negative effect on Quebec, British Columbia and California, for example, which have their carbon markets, as does Quebec.

However, what I said was that there already is an emissions reduction of between 36% and 40%. If we eliminate the measure that, according to the department's estimate, allows about 30% of the reduction, something as significant or even more restrictive will have to be implemented to make up for this loss.

**Mrs. Sophie Chatel:** I agree with you.



Our Conservative colleagues want to abolish the federal carbon tax, which doesn't apply to Quebec. That would leave Quebec almost alone in the fight against climate change. We have no other plans to propose. What 300 Canadian economists have said loud and clear is that carbon pricing is the best way to reduce emissions.

To your knowledge, are there other ways that would be as effective, without creating huge deficits in our public finances?

• (1145)

**Mr. Jerry V. DeMarco:** The tools available are pricing, regulations, subsidies and other measures such as education, as well as initiatives related to federal procurement. Most of the reductions in the plan come from regulations and fees. It's possible, if we take away a measure like pricing and add another that's also effective, such as a regulation.

However, we can't just change direction and maintain progress. We'll have to create a new regime, a new system. That will force us to start from scratch again. So you can't just change direction.

**Mrs. Sophie Chatel:** Thank you.

So there would be three possibilities. The first would be to abolish carbon pricing and do nothing to fight climate change. At that point, Canada's emissions would increase and Quebec would be the only one making an effort. The second would be to replace that with regulations, in other words, we would tell people that their emissions can't exceed a certain threshold. So it would be a very prescriptive approach. The third would involve massive investments, which would increase public debt.

Are those the options that are being discussed right now?

**Mr. Jerry V. DeMarco:** In terms of providing grants, not only is it very expensive, but as we pointed out in our last two or three reports, to date there have been no major reductions. Proceeding that way would be very costly—

**The Chair:** Thank you.

**Mr. Jerry V. DeMarco:** —in terms of regulations, whether it's seen as a prescriptive approach or a kind of command and control, that's the other option...

**The Chair:** We have to stop there, unfortunately.

Mr. Fortin, you have the floor for two and a half minutes.

**Mr. Rhéal Éloi Fortin:** Thank you, Mr. Chair.

Mr. DeMarco, I think my colleague Ms. Chatel's questions are relevant and I'd like to come back to them at length, but I only have two and a half minutes of speaking time. We may have an opportunity to come back to that later.

How does the current pricing system in Canada compare to what's in place in other G20 countries?

**Mr. Jerry V. DeMarco:** Canada has a national carbon pricing system, but provinces and territories can also have their own systems. In all cases, there's a system in place, whether it be the federal government's or that of the province or territory. So there is no gap.

It's similar to the EU, which uses another carbon pricing tool, a cap-and-trade system for gas—

**Mr. Rhéal Éloi Fortin:** I apologize for being rude, but time is of the essence.

In your opinion, is the system in place in Canada more effective or as effective as the European one? Do other countries have systems that we should envy, copy or be looking at?

**Mr. Jerry V. DeMarco:** Again, you're asking me to make a political choice.

I haven't looked at how Canada compares to G20 countries, but I can tell you that we have the worst emissions record in the G7.

That being said, we're talking about the period from 1990 to today, and pricing is a fairly recent measure.

**Mr. Rhéal Éloi Fortin:** Mr. Chair, I'm going to give the little time I have left to my colleague Mr. Morrice from the NDP, if everyone agrees.

**The Chair:** Okay, but there are only 30 seconds left.

Mr. Morrice, you have the floor.

• (1150)

[English]

**Mr. Mike Morrice (Kitchener Centre, GP):** Okay.

Commissioner, as you noted in one of your recent reports, Canada is now the only country whose emissions have gone up from 1990 levels among G7 peers. Of course, our target doesn't look back to 1990. It only looks back to 2005. Still, it doesn't have us doing our fair share. We're not on track to meet it, and you noted there's some double counting involved. You were disappointed in 2021 and disappointed in 2024. Environmental Defence has called out the elephant in the room: the subsidies to the oil and gas industry.

Have you done any kind of value-for-money assessment of how those funds of \$18 billion plus could be redeployed to get us emissions reductions over the coming years?

**The Chair:** Unfortunately, I again have to limit you to a binary answer.

**Ms. Laurel Collins:** You can take 20 to 30 seconds of my time to answer.

**The Chair:** Okay.

Please keep it brief, Commissioner.

**Mr. Jerry V. DeMarco:** Okay.

We haven't done a recent report on fossil fuel subsidies, but we did two reports on that issue before I was commissioner. We testified on that issue a year or two ago, as well.

The choice of how to use the money, if it were to be redirected from those subsidies to somewhere else, is for the government.

Yes, we have had concerns over the years about fossil fuel subsidies.

**The Chair:** Thank you.

Ms. Collins.

**Ms. Laurel Collins:** Mr. Chair, I would like to move the following motion:

Given that:

A. the Environment Commissioner reported that the government is not on track to meet their 2030—

**The Chair:** Ms. Collins, is this the motion regarding the net zero accelerator?

**Ms. Laurel Collins:** No.

**The Chair:** Have you given 48 hours' notice?

**Ms. Laurel Collins:** Yes.

**The Chair:** Okay. Go ahead.

**Ms. Laurel Collins:** The motion reads:

Given that:

A. the Environment Commissioner reported that the government is not on track to meet their 2030 emissions reduction targets;

B. the testimony heard by the committee from witnesses in the meetings which took place on November 20, 2024, November 27, 2024, and December 2, 2024, included concern with the government's emission reduction policies and progress.

The committee report to the House of Commons its disappointment regarding the government's slow progress in meeting 2030 emission reduction targets.

I won't speak too much to this. It's pretty straightforward and clear. I'm hoping we can pass this very quickly by heading to a vote without taking up too much time of the committee.

Thanks.

**The Chair:** Mr. van Koeverden.

**Mr. Adam van Koeverden (Milton, Lib.):** Thanks very much, Mr. Chair.

Thank you for the motion, Ms. Collins. I very much appreciate all of your work on this committee.

I would like to discuss this. I would like to debate it. It warrants some conversation. However, given that we have the commissioner here—I would like to ask questions as I have interest in this panel as well—I would just ask that we postpone debate on this until a date when we don't have witnesses so that we can complete this meeting before one o'clock. We all have things to do.

Mr. Chair, I would ask that we adjourn the debate for now and come back when we have more time and no witnesses.

**The Chair:** It's a dilatory motion, so we'll vote and see what happens.

Ms. Collins, you have your hand up. Is it a point of order?

**Ms. Laurel Collins:** I just put my hand up to be on the speaking list.

**The Chair:** Okay. I'll put you on the speaking list, but right now, we have to vote on Mr. van Koeverden's proposal that we adjourn the debate on this.

(Motion agreed to: yeas 6; nays 5)

**The Chair:** We'll go to Mr. Kram for five minutes.

**Mr. Michael Kram (Regina—Wascana, CPC):** Thank you very much, Mr. Chair.

Thank you to all the witnesses for being here today.

Mr. DeMarco, in your report on the net zero accelerator, you noted that it did not effectively track emissions or emissions reductions. This echoes what you said in report 7.

If you step back and look at the big picture of everything you have audited in the department, have you come across significant evidence that the government is making adequate efforts to track emissions reductions in the initiatives you have investigated?

• (1155)

**Mr. Jerry V. DeMarco:** It's been a theme of our reports over many years, even before I started, that there needs to be more transparency in this area. Despite repeated recommendations, we're not at a level of transparency, monitoring and tracking, as you said, that I think parliamentarians and Canadians are owed.

I would agree that there needs to be more transparency and better tracking, as I indicated earlier, so that Canadians have confidence that the money being spent on this initiative, which is of critical importance for current and future generations, is being spent in a way that is obtaining results.

**Mr. Michael Kram:** I would like to switch to page 10 of report 4. I would like to read a quote from this report. It says:

There are not enough international initiatives to encourage industries to decarbonize, such as definitions for "near zero emission goods" or regulations requiring greener materials.

I found this statement quite interesting, because we heard at this committee for our report on climate financing that there were many international investors with great deals of money that are looking to invest in these decarbonization initiatives, and that Canada was even missing out on these investment opportunities.

Do you feel there is an appetite among international investors to invest in green initiatives in Canada, or isn't there?

**Mr. Jerry V. DeMarco:** Certainly there's a trend towards greener investment and, eventually, net zero and a carbon-neutral future, but what we indicated in that report.... I apologize; I didn't bring my net zero accelerator binder with me. I brought my net-zero act binder with me because we were here last week on the accelerator. My recollection is that section of the report is especially focused on hard-to-abate industries that don't necessarily have enough of a price signal or available technologies currently to make a shift. You know some of those sectors already in terms of steel and cement and so on.

Existing measures have not been enough to shift those industries. There's an interest in it and there's a global appetite for it, but government levers are needed if that shift is in need of acceleration, as is the policy of Canada. That's why they're using other measures, such as subsidies, to try to complement regulations and carbon pricing in order to get at these more hard-to-abate industries.

**Mr. Michael Kram:** Would it be fair to say there is global interest, just not enough global interest to invest in and of themselves?

**Mr. Jerry V. DeMarco:** There's enough that there's a trend towards that, but is it happening fast enough and effectively enough to meet, for example, the Paris Agreement's 1.5° or 2° target? No, and that's why we have things called accelerators that are meant to accelerate. The idea is to make sure that they do that, and it's not just to have a name—that it's accelerating.

**Mr. Michael Kram:** Okay.

Last week, we had Canada's climate change ambassador before the committee. She claimed that economic growth has been decoupled from emissions reductions. In other words, we are not paying an economic price for climate policy, and yet, in report 4, you've stated that heavy manufacturers and some of the biggest contributors to the economy aren't motivated to reduce emissions. Is that because it's just too expensive? Have we done all of the low-cost initiatives and everything remaining would be very costly to the economy? Is that accurate?

**Mr. Jerry V. DeMarco:** Yes. On the first point, we mentioned in our lessons learned report in 2021 that there has been some decoupling of emissions as against both population and production. That's a good sign that it's not just in lockstep now that for every additional unit of production you have an additional unit of equivalent greenhouse gas emissions. That's good. It means that there are getting to be some efficiencies, but it hasn't been enough, because, especially in the oil and gas sector, efficiencies have been outweighed by increases in production and—

• (1200)

**The Chair:** Thank you very much. We'll end on that very good point.

Mr. van Koeverden, go ahead.

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

How long do I have?

**The Chair:** You have five minutes.

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

Mr. DeMarco, there's been a lot of debate at this committee, over the last couple of months certainly, on whether Canada is on track with the current climate action and emissions reduction strategies implemented so far.

I'll be honest. I don't think it's super productive to debate whether we're on track. Modelling has us at 34%, 35% or 36%, when we all know that more ambition is necessary. We know we need to do more, not less, to lower emissions and to fight climate change. I've expressed confidence and ambition because I think it's important to be positive, and I think it's really productive, in fact, to talk about things that are working. I've been called a liar by some colleagues for stepping up and saying that I think we can do this; I think it's

possible, and I think we are on track with these and increased ambition.

Much more important than arguing about whether it's 34%, 35% or 36% is to talk about trajectory, because when things are going up, we can see they're going up, and when things are going down, we can tell. Emissions are also unique because they have momentum and inertia, and they're not quickly reduced or eliminated.

My question goes back to 2015. My understanding of Canada's overall emissions is that they were on their way up under the Harper government, and its goal of reducing emissions by 30% below 2005 levels was clearly out of sight.

Is that your take on the situation eight or nine years ago?

**Mr. Jerry V. DeMarco:** As indicated in our exhibit, for the early decades of Canada's fight against climate change, the graph was going in the wrong direction. Since then, there's been a relative plateau and then a little bit of a decrease in the last few years of around 7% since 2005. There's no doubt that if there had been no measures put in place by any government, the graph would have continued to go up because of increases in production and population in Canada. The exact amount is subject to different assumptions, but it's certainly true that the emissions would be way worse than now if there had been no measures at all.

**Mr. Adam van Koeverden:** You mentioned population and production. The size of our economy also contributes to that. Is that correct? Our economy is three times larger now than it was in the 1990s. That is a large factor, is it not? I understand wealthier countries have larger carbon footprints.

**Mr. Jerry V. DeMarco:** That's what I meant by production. The economic production has been going up, and the population has been going up.

**Mr. Adam van Koeverden:** That's right.

We put in over 100 measures to reduce emissions. We've seen some progress, and the modelling shows that we are getting closer and closer to those goals for lowering our emissions.

Then we enhanced that target, from 30% to 45%, in order to be more ambitious. In that same period of time, we've seen the Alberta premier, the Saskatchewan premier and the Ontario premier—three of the largest provinces in terms of economy and carbon outputs—go in the wrong direction.

Every time you come to committee, you talk about the importance of collaboration and co-operation with other jurisdictions, because they have quite a large role to play, as well. I would like to know whether these actions taken by provincial premiers will increase emissions or dampen those ambitions. Alberta Premier Danielle Smith recently vowed to fight the cap on emissions.

Will the cap on emissions help us reduce those emissions, or will they increase? Is fighting that counter to climate action, or is it in line with it?

**Mr. Jerry V. DeMarco:** I'm not going to insert myself between the federal government and the Alberta government to try to adjudicate that debate. I'm no longer an environmental adjudicator, although sometimes I feel like I am.

Clearly, we need to reduce emissions. The choice of measures is up to governments, and they need to have effective ones.

**Mr. Adam van Koevorden:** Perhaps I'll move to a more qualitative approach.

The Premier of Saskatchewan said:

A lot of folks will come to me and say, "Hey, you guys have the highest carbon emissions per capita." I don't care.

Is that type of approach going to help us lower our emissions? Is that the type of co-operation we need to encourage?

**Mr. Jerry V. DeMarco:** Again, I'm not going to insert myself into parts of conversations between the provinces and the federal government.

However, we have a graph in our lessons learned report about per capita emissions. It is important to track that, because Canada as a whole is quite a poor performer on per capita emissions.

**Mr. Adam van Koevorden:** The Canadian Centre for Policy Alternatives was willing to insert themselves. They said, "If you want to understand why robust national climate policy is being blocked, look to Saskatchewan."

Since Doug Ford got elected, he's eliminated the drive clean program, which was a mandatory emissions test for passenger vehicles. He also recently passed legislation so that Enbridge, a natural gas company, can lock in customers for decades to come, overriding Ontario's independent energy regulator.

• (1205)

**The Chair:** We have to stop there, unfortunately. There's no time left. Your five minutes are up. I'm sorry.

Mr. Leslie, go ahead for five minutes.

**Mr. Branden Leslie (Portage—Lisgar, CPC):** Thank you, Mr. Chair.

Given those recent comments, I like to look and I assume you do, too, Commissioner, at outcomes, not aspirations, targets or goals.

Commissioner, I'm going to ask you a pretty simple question based on a quote from that very parliamentary secretary. I will read the entirety of the sentence from Hansard:

Today, thanks to the work of so many Canadians, including that member, we are ahead of our initial 2030 target and firmly on track to meet the targets set out in our 2030 emissions reduction plan.

Is that a true or false statement?

**Mr. Jerry V. DeMarco:** That's the reason I included the final paragraph in my opening statement today. If I can give you a fuller answer than just yes or no, I can explain.

I believe different people are using "on track" in different ways. I want to define how I'm using it, and it's up to the committee whether you agree with my formulation. By "on track", I mean three things: a plan with concrete measures that add up to meeting or exceeding the target; reliable modelling of the reductions that the plan is expected to deliver; and effective implementation of actions that result in significant year-over-year reductions.

Until those three elements are seen, I believe, in the way I'm using "on track", the Government of Canada is not yet on track.

**Mr. Branden Leslie:** I thank you for that.

I think back to a previous comment you made at this committee. You mentioned that Minister Guilbeault's department privately admitted to you that additional measures would need to be implemented if they want to hit those emissions targets. Now, when Minister Guilbeault was asked at a recent meeting whether or not he would raise the carbon tax above \$170 a tonne, he said, "No decision has been made."

I was unable to ask the bureaucrats questions at the last meeting thanks to frivolous points of order by members on the government side.

My question for you is this: In your discussions with ECCC, perhaps even privately, do you know whether ECCC ever did modelling above \$170 a tonne post 2030?

**Mr. Jerry V. DeMarco:** We're not aware of that.

**Mr. Branden Leslie:** In the conversation you had with those officials, did they indicate what other measures might be on the table to actually help achieve those results?

**Mr. Jerry V. DeMarco:** This is one of our concerns from our report this year. The third part of our report, under the net-zero act, looks at the progress report, the first one that Environment and Climate Change issued. When there is a gap between the plan and the expected results, they're required to put in potential additional measures in the report, and in the back of that report, the progress report, they list some additional measures but they're very vague, with "We will explore," that sort of wording—I don't want to quote them directly because you can look at it. There's a need for concrete additional measures, not just vague assertions of possible future measures, in order to bridge that gap.

**Mr. Branden Leslie:** Would it be reasonable to expect that they want to continue to either accelerate beyond 2030 or hasten the pace of the rising carbon tax? As well, the minister recently discussed the fact that he is “very supportive” of discussions to create a new global carbon tax on international shipping. Given those on-going discussions, do you suspect that either one of those options might be what the government is looking at in terms of additional tools to try to reach their failing targets?

**Mr. Jerry V. DeMarco:** I don't believe that the progress report had any additional measures relating to carbon pricing at the end of it, if I recall correctly. I don't have that with me but, no, I don't think there were any additional measures listed that would be in the carbon pricing category.

**Mr. Branden Leslie:** Would it be reasonable to think the government is looking at that as a known tool that they already have in their tool box?

**Mr. Jerry V. DeMarco:** It would be reasonable to ask them that, but not me.

**Mr. Branden Leslie:** I would love to—next time.

Let me move to, broadly speaking, some international conversations regarding transferring money to less developed nations to deal with adaptation to climate change. Do you have any sense, in terms of a dollar value, of what the Government of Canada currently sends, through any department, to countries around the world to various other governments for climate-related programs? Also, have you ever considered doing a value-for-money audit on the tax dollars that are flowing to other countries to help combat climate change there?

**Mr. Jerry V. DeMarco:** Auditor General Hogan recently released a report on international assistance. It wasn't specific to climate change, though, so that would be our office's most recent analysis of Canada's international aid efforts in general. We haven't done an audit specifically, a deep dive into the international climate finance side of things. No, we haven't.

• (1210)

**Mr. Branden Leslie:** Is that something you would consider doing? There are obviously pretty large dollar values associated with this. I think it would be reasonable to find out where the money's going, what it's going towards, and whether or not Canadian taxpayers are getting value for that money. Is that something you would consider?

**The Chair:** I need a yes-or-no answer to that. You're not required to give a yes-or-no answer, but that's—

**Mr. Jerry V. DeMarco:** I think any environment and sustainable development topic could be considered. We'd have to look at it according to our lens of whether looking at it is an efficient use of our resources.

**The Chair:** Go ahead, Mr. Longfield.

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

Thank you, Commissioner and staff, for being here for even more discussions, which I think are entirely appropriate for our committee.

Commissioner, in some of the recent discussions at committee, we talked about the implementation of the emissions cap. We also talked about the lack of sign-on by some of the larger emitters in Canada and, maybe, some of the things that are delaying that, either at the board level, technically or at the production level.

I'm trying to piece together your 10 reports. What would be really helpful is something like what the CCI, the Canadian Climate Institute, puts out to say, “It's a 440 megatonne goal. Here are government policies. Each one is contributing towards that goal.”

You mentioned in this morning's meeting how important pricing pollution is in terms of reaching our goal. That's one of our key policy planks, and the Conservatives made it very clear that they would get rid of that. What impact that would have on meeting our goals is a question I would put back to you on, let's say, a summary audit. We also have the clean fuel standard. We have the net zero accelerator we've mentioned this morning, the capital cost allowance for clean technology adoption, transportation progress on EVs and others. We mentioned the emissions cap this morning, and the number is about 11 to 15 megatonnes of the 440.

Is it something you could consider pulling together, the 10 reports, to say, “Yes, we're not on track overall. There's a high risk in this area if you eliminate price on pollution.” We also know price on pollution is going up, and even in the last question by Mr. Leslie, we do have goals to increase by 2030. Beyond 2030, there will be more goals that we'll work on internationally.

Could you comment on how we can pull this together, in terms of an audit that would come back to us as parliamentarians, to know where the key risks are?

**Mr. Jerry V. DeMarco:** There is a lot there.

As I mentioned earlier, there are over 140 measures in Canada, and some of them have either no emission reductions associated with them or very small emission reductions. We've looked at about 40 measures so far—20 this year and 20 in other audits, I believe.

We summarized the recent ones in appendix A of this year's report, and the newer ones that we looked at are in the body of the report. Should we look at all of them every year? I'm not sure that would be the best use of resources, because many of these measures are of marginal importance from a GHG reduction point of view. They're quite valuable from a capacity-building or an enabling point of view.

As I indicated earlier, if there were a plan that added up to at least 40%, I'd be more inclined to consider doing a deconstruction and analysis of it to see whether it really adds up. Right now, as we were in 2021, we still have a plan that doesn't add up to 40% to 45%. I'm disinclined to go through every line of every measure when we already know that it's something at 36% or lower. I don't know if this—

**Mr. Lloyd Longfield:** The vagueness of saying that we're not on track is what is bothering me. It's not politically motivated although there are politics involved. If we remove the price on pollution, which is one of our signature policies, that should be reducing 30% of overall emissions and is an escalating factor, which means it will have more effect as time goes on.

Things like the clean fuel standard that's being brought forward and is going through regulations could be applied to some of our major emitters in the transport industry. I don't get a sense that you've looked at that in terms of what the context is. It's putting in context what your individual 10 reports are.

• (1215)

**Mr. Jerry V. DeMarco:** The context piece is our lessons learned report from 2021 where we tried to bring everything together. We have an appendix of all our reports listed in there. Then, with this year's net-zero act report, we have an appendix that tracks recommendations that we've made, a sort of continuous reporting approach, so I think we are doing an element of what you're asking.

As to the controversy over whether Canada is on track or not, that was why, just a few minutes ago, I defined how I'm using the term.

**Mr. Lloyd Longfield:** Thank you.

**Mr. Jerry V. DeMarco:** There's complete agreement with the department that they are not on track according to the definition that I'm using.

**The Chair:** Thank you.

[*Translation*]

Mr. Fortin, the floor is yours.

**Mr. Rhéal Éloi Fortin:** Thank you, Mr. Chair.

Mr. DeMarco, you're obviously aware of the zero emission transit fund, which the government has established. It's said to have invested \$2.75 billion together with the Canada Infrastructure Bank in order to further Canada's commitment and contribute to the purchase of school buses and other zero emission public transit vehicles.

I'll spare you all the program details because we don't have time to go into them here, but, as we've recently seen, the Lion Electric Company, which builds electric school buses and is headquartered in my riding, is experiencing major issues. It invested in, developed and prepared to deliver thousands of school buses because it was told at the time that it had to prepare for that and that the market would be flooded. The program provided for funding that was to cover up to 50% of vehicle acquisition costs.

However, Lion Electric's clients, which are school bus network operators, are unable to purchase the buses because the federal gov-

ernment has apparently revised funding for acquisition costs downward. According to what one of the ministers concerned told me, funding seems to be limited to 25%, or 30% at best, of acquisition costs, which wasn't enough.

Since school bus operators can't make a profit from their operations with subsidies that low, they're still buying diesel buses.

Do you think the federal government is doing the right thing by limiting its investments and letting school bus operators buy diesel buses instead of electric buses?

Shouldn't it stand by its commitment to fund 50% of acquisition costs as planned?

[*English*]

**The Chair:** You have very little time.

[*Translation*]

**Mr. Jerry V. DeMarco:** That will be enough because I'm not an expert on the details of the agreements between the federal government and Lion Electric or other businesses that are in trouble.

**Mr. Rhéal Éloi Fortin:** But what about the federal program? Forget the agreement with Lion Electric.

**Mr. Jerry V. DeMarco:** Ms. Da Costa, have you looked into that particular program?

**Ms. Elsa Da Costa (Director, Office of the Auditor General):** We've examined one of the Canada Infrastructure Bank's programs but haven't looked into the details of those contracts.

**The Chair:** Thank you very much.

Ms. Collins—

**Mr. Rhéal Éloi Fortin:** Mr. Chair, didn't I have a six-minute turn?

**The Chair:** No, subsequent turns are two and a half minutes.

**Mr. Rhéal Éloi Fortin:** Will that be the case until the end of the meeting?

**The Chair:** For the NDP and Bloc Québécois, yes. There will be no more six-minute rounds because these are the same witnesses. If we had a second witness panel, there would be more six-minute rounds.

**Mr. Rhéal Éloi Fortin:** I apologize for the interruption.

**The Chair:** That's quite all right.

Ms. Collins, go ahead.

[*English*]

**Ms. Laurel Collins:** Thank you, Mr. Chair.

Thank you, again, to the commissioner.

I wanted to go back to the emissions cap. This feels like one of the key policies that needs to be strengthened and where we need more stringency.

When it comes to the implementation of this policy, we're going to be waiting until 2030 for the first phase. Can you talk about the danger of pushing back this kind of implementation and the urgency and the need for stringency on this policy?

• (1220)

**Mr. Jerry V. DeMarco:** Implementation is a theme of this year's and last year's reports, as well as our greenhouse gas regulations audit from last year.

When you have a target like 2030 or an interim objective like 2026, it's important that the measure is crystallized sufficiently by the date so that you actually are getting the emissions reductions, as opposed to them just happening at some point in the future.

The problem with delays is that, because these regulations are typically phased in and there's a compliance period and so on, if they're pushed off too far, they might have little effect on 2030, and they'll only realize their benefits after 2030. We had the same conclusion with our two billion trees report. It wasn't really much of a measure to assist with 2030 because it was going to really only reap rewards in the decades to follow.

The timely design and implementation of measures is important, because there's not much time left between now and 2030, and any measure takes time to bear fruit. It's not like flipping a switch. There are phase-in provisions and regulations, for example, and transition provisions, compliance periods and so on. The more slowly each of these measures gets put into place, the more at risk the 2030 target is.

**Ms. Laurel Collins:** Thank you.

Mr. Chair, do I have any time left?

**The Chair:** You have 30 seconds.

**Ms. Laurel Collins:** Mr. DeMarco, we'll probably only get to this in the next round, but I want to ask you about carbon budgets. Not in your last visit here but the visit before, my colleague Taylor Bachrach discussed carbon budgets with you. I would love to hear about how this could be an effective emissions reduction policy, as the U.K. has done, and about any other lessons learned from the U.K. when it comes to what we could be doing here in Canada.

I will ask again at the next—

**The Chair:** Unfortunately, we don't have time for the answer. I don't know if the commissioner wants to produce something in writing. That'll be up to Ms. Collins to ask for if that's what she wants.

Is that what you want?

**Ms. Laurel Collins:** I would love that, or if we have another chance in this meeting, I'll try to get to it then.

**The Chair:** You'll have another chance, so maybe you can leave a couple of minutes for the commissioner when it's your turn next.

Mr. Mazier, go ahead.

**Mr. Dan Mazier:** Thank you, Chair.

Commissioner, the government ripped over 360 pages out of their \$8-billion net zero accelerator fund and the contracts. They ripped out 360 pages.

Did the government remove any pages from the contracts before you read them, yes or no?

**Mr. Jerry V. DeMarco:** My recollection is that my colleague Mr. Blouin last week indicated that we had full access to those documents. I didn't read each of them and all the pages myself, but the team reviewed them, yes.

**Mr. Dan Mazier:** There were no pages ripped out when the team reviewed them. Is that correct?

**Mr. Jerry V. DeMarco:** That's my recollection, but I don't have that team with me here today. I believe he answered something similar to that last week on Monday or whatever day we were here last week. We've been here quite a few times.

**The Chair:** Yes, we meet on Mondays and Wednesdays.

**Mr. Jerry V. DeMarco:** It was either a Monday or a Wednesday then.

**Mr. Dan Mazier:** Commissioner, do you believe Canadians are getting good value for money from the government's \$8-billion net zero accelerator fund?

**Mr. Jerry V. DeMarco:** Our view is they haven't demonstrated that they're providing value for money. It's possible that good value for money will be obtained, but we would like it to be shown in advance in a transparent way that it's happening, as opposed to just hoping that it will happen.

**Mr. Dan Mazier:** Did you have any examples in the reports that some projects showed that the value for money was beyond \$160 a tonne?

**Mr. Jerry V. DeMarco:** We did two calculations. Again, I don't have that binder with me, so—

**Mr. Dan Mazier:** Were there any numbers?

**Mr. Jerry V. DeMarco:** We looked at five that had commitments in the contribution agreement, and it was a little less than \$200 in terms of the cost per tonne. Then, if you divided it by 17, it was over \$500, if I recall correctly.

**Mr. Dan Mazier:** Is that \$500 a tonne?

**Mr. Jerry V. DeMarco:** That was across all 17, if you did the calculation that way, so we do have concerns about that, yes.

**Mr. Dan Mazier:** Okay.

Has the current government ever misled Canadians about their emissions reduction data or projections, yes or no?

**Mr. Jerry V. DeMarco:** Do you mean misled in a sort of an intentional way or misled in...?

• (1225)

**Mr. Dan Mazier:** Well, if they did, how did they mislead?

**Mr. Jerry V. DeMarco:** Well, we've had examples of inaccurate projections in various audits, but whether there was a mental state of mind, if the government can have one, in terms of trying to mislead, I don't know. I only look at whether the projections are reliable and, if so, whether they're being met. I haven't really looked at the intention behind the statements associated with the predictions.

**Mr. Dan Mazier:** Or inaccuracies.

**Mr. Jerry V. DeMarco:** Yes, there have definitely been inaccuracies.

**Mr. Dan Mazier:** Okay.

Do you have any reason to believe that the current government is double counting their emissions reductions and therefore misleading Canadians?

**Mr. Jerry V. DeMarco:** This has come up in several of our recent reports. The siloed approach and the lack of centralization on the climate file can lead to double counting. It could be innocuous double counting, you know, where one department doesn't know that it's also being covered by another, so there have been examples of double counting.

I guess the earliest example we had was from the emissions reduction fund, where a subsidy to the oil and gas industry was not designed in a way that would necessarily be additional to what was going to be achieved through regulation anyway, so there was a potential for double counting from the subsidy program and the regulation.

There have been other examples as well.

**Mr. Dan Mazier:** Commissioner, I'm going to quote the parliamentary secretary to the environment minister. Earlier this year, he stated in the House of Commons, "We are ahead of our initial 2030 target and firmly on track to meet the targets set out in our 2030 emissions reduction plan."

Is this statement true or accurate, yes or no?

**Mr. Jerry V. DeMarco:** As I indicated earlier, the words "on track" can be used in different ways in different contexts. That's why I define the way I'm using it. I would say that the government is not on track, according to the three criteria I mentioned a few minutes ago.

**Mr. Dan Mazier:** Earlier, you had a graph up. The parliamentary secretary referred to a motion, like once you get the wave started, it'll go, kind of thing. You had the same graph up here. At the very end of it, it's actually headed on the way back up again. With all the government's increases in the carbon tax, this \$8-billion net zero accelerator fund and all this stuff, it's going up. Would you not agree with that?

**Mr. Jerry V. DeMarco:** Yes. That's one of the reasons why I said that, in terms of the third element of "on trackness", if there's such a term, there needs to be an effective implementation of actions resulting in significant year over year reductions.

We're not seeing that post-COVID. We are seeing it bounce back up a little bit. The good thing is that it has not bounced back up all the way. That's good news if you want to look at it as a glass half full, but we do need a very steep drop to get down to our future tar-

gets. If you extrapolate the graph so far, you're still going to need a much steeper drop than what we've been seeing recently.

**The Chair:** Thank you.

Mr. Ali, go ahead.

**Mr. Shafqat Ali (Brampton Centre, Lib.):** Thank you, Chair.

Thank you, Commissioner, for being at the committee.

Commissioner, can you speak to the importance of the pollution cap when it comes to reducing greenhouse gas emissions in the oil and gas sector? Do you believe that government is achieving the right balance when it comes to incentivizing emissions reductions and requiring them through regulations?

**Mr. Jerry V. DeMarco:** As I indicated earlier, the oil and gas sector is the largest emitter in Canada, and measures are needed to bend that curve. We know that it's possible to increase production and decrease emissions over time in another sector, the electricity sector, and we've seen good results there. I agree that measures are needed to bring the curve down on oil and gas. The choice of measures is up to the government in terms of which measures it will use to do that, but it is necessary to bring down that sector's emissions, its total emissions, if we're going to have any hope of meeting the 2030 target.

**Mr. Shafqat Ali:** Thank you.

In your opening statement, you indicated that at time of our 2021 report you noted that implementing the measures then in place was "expected to yield reductions of 36% by 2030." What has changed since then for both the negative and positive?

• (1230)

**Mr. Jerry V. DeMarco:** In 2021, we indicated that, "Taken together, full implementation of the actions and measures...are expected to yield reductions of 36% below 2005 levels by 2030." We also noted that the emphasis this time "should be on meeting the targets and not just making plans. Sound plans are essential, but it is the outcome that really matters", which has been a theme of many of my comments today and in previous....

What's changed? Unfortunately, the 36% hasn't changed, although it actually has. There have been different estimations between now and then. It's gone down to 34.6% and back up to 36%, but the gap remains, and that's unfortunate. Some new measures have been brought into place or at least are planned to be brought into place, such as the oil and gas emissions cap, the electricity regulations and the finalization of the clean fuel regulations. However, none of the ones that are in place are enough to fully fill that 4% gap. My understanding of the oil emissions cap, at least in the narrative that was associated with the draft regulation that was published, is that it, on its own, isn't enough to fill the 4% gap, but that it would contribute to filling that gap.

**Mr. Shafqat Ali:** Thank you.



Since 2019, when most of our emissions reduction policies began to take effect, we have made significant progress in reducing Canada's emissions. This actually shows the difference that can be made when government takes these actions to reduce emissions.

With regard to the comparable G7 nations over that time frame, since 2019, can you confirm that Canada's emissions have actually declined faster than those of some of our G7 peers, including Japan, the United States and Italy?

**Mr. Jerry V. DeMarco:** In our exhibits in this year's report and last year's report, we use the two baselines of 1990 and 2005, 1990 being the baseline year for the UN convention and 2005 being the baseline year for Canada's current NDC for the 2030 target. However, if you look at more recent data—essentially, if you put in another graph for just the last few years—you will see a drop in Canada that is not as bad relative to the other G7 countries as it is if you look at these two baseline years. That's partly not that surprising because many of those countries made deep reductions already, so they're now at the point where it's difficult to do further reductions. Canada didn't do any reductions since 1990. Its emissions are up, so it still has the ability to bring it down, more of an ability to bring it down in absolute terms than some of those other countries. I would have to look at the various factors involved to see exactly why there have been changes.

The long and the short of it is that we're only down by around 7% or 8% since the 2005 level. We have to get to 40% to 45% in just six years, so there's a long way to go.

[Translation]

**The Chair:** Thank you.

We will begin the final round of questions.

Mr. Deltell, the floor is yours for five minutes.

**Mr. Gérard Deltell:** Thank you very much, Mr. Chair.

Mr. DeMarco, the net zero accelerator initiative has resulted in a lot of money, hope and expectations but, to date, little in the way of results or targets met.

Do you think Canadians are getting value for money?

**Mr. Jerry V. DeMarco:** You're asking me whether Canada—

**Mr. Gérard Deltell:** I'm asking you whether Canadians are getting value for money.

**Mr. Jerry V. DeMarco:** I didn't understand that expression.

[English]

**Mr. Gérard Deltell:** When you pay, you receive something that you appreciate the value of.

**The Chair:** We get value for money. Is Canada getting value for money?

[Translation]

**Mr. Jerry V. DeMarco:** Pardon me; there wasn't any sound.

As I said, the department hasn't shown Canadians that resources have been optimized. It's possible to do so, but I'd like to see more transparency. I want assurances that we're going to optimize re-

sources because this involves a significant amount of money for taxpayers.

**Mr. Gérard Deltell:** Absolutely.

Just allow me to say that your French is impeccable and that you needn't be embarrassed at all. I want to thank the interpreters for the job they do, which really isn't easy.

**Mr. Jerry V. DeMarco:** I'm using the floor channel, not the interpretation channel, and there was no sound when you spoke.

• (1235)

**Mr. Gérard Deltell:** No problem.

What we understand is that there aren't enough transparency, accountability or targets in the case of the net zero accelerator initiative, all of which undermines the project's credibility in citizens' minds.

Something else that can undermine credibility is the lack of ethics. As we all know, there's another fund to combat climate change, and that's sustainable development technology Canada, or SDTC, a green fund for sustainable development. We know that the Auditor General, an officer of your rank, has looked into this. I'm not talking about us, the Conservatives, but rather the Auditor General, who found that more than \$390 million out of a \$500 million budget wasn't ethically allocated. The board members voted and allocated the money to their own businesses. That happened in 186 cases. The Auditor General concluded that nearly four out of every five dollars hadn't been spent in accordance with ethical rules. A business must act ethically, particularly when the money comes from taxpayers. Some \$500 million was involved in this case.

There's a lack of transparency with regard to the net zero accelerator initiative, which doesn't inspire people's trust. Do you think the ethical issues surrounding SDTC also undermine the trust of Canadians, who are being asked to make a financial effort to combat climate change?

**Mr. Jerry V. DeMarco:** The concerns and findings of the Office of the Auditor General of Canada differ with regard to those two funds, and our concerns are considerable in both cases.

As regards the net zero accelerator initiative, we're concerned about resource optimization, the absence of any horizontal industrial decarbonization policy and, in many agreements, the lack of any guaranteed reduction of greenhouse gas emissions.

The problems are different, but parliamentarians and Canadians should be concerned about both funds.

**Mr. Gérard Deltell:** All right.

Mr. DeMarco, I'm going to ask you a question that I asked a few months ago. As Canadians, we're all aware that we need to cut emissions. However, everyone has to do it. Our neighbour, the United States, is one of the major CO<sub>2</sub>emitters. How can Canada be sure that the efforts we make to reduce our emissions aren't nullified by what might come to us from south of the border?

As you very well know, the automotive industry in Detroit generates a lot of emissions. We're on the other side of the border. Can Canada fall victim to the pollution of other countries, particularly that of our neighbour?

**The Chair:** You have 10 seconds left to answer that question.

**Mr. Jerry V. DeMarco:** That's a collective issue. It's possible that one or many countries aren't doing their share. That's all I can say.

**The Chair:** Thank you.

[English]

Go ahead, Ms. Taylor Roy.

**Ms. Leah Taylor Roy:** Thank you very much.

Thank you again, Mr. DeMarco, for your comments.

I want to carry on from the line of questioning Mr. Deltell had.

Would you say that other countries not doing their part to meet emissions targets is a reason Canada shouldn't be doing ours?

**Mr. Jerry V. DeMarco:** What I was about to speak to is collective action problems. You're probably familiar with the term "tragedy of the commons". It goes all the way back to Aristotle, I believe. It's about human society not necessarily looking after the commons properly, and the incentives there are to destroy the commons in individual actions that add up to the collective destruction of the commons.

That's true of a lot of things. Canada is not big enough to be a large player in just about anything if you look at the fact that there are about 200 countries in the world. We have a special responsibility with respect to water, forests and several things of which we have a large share, but yes, we're all in this together. It's a whole-of-planet problem.

There is the potential for certain countries to choose to adopt what's called a free rider approach to the detriment of others. If too many of them adopt a free rider approach, we will unfortunately not meet our Paris targets and we will have a tragedy of the commons.

• (1240)

**Ms. Leah Taylor Roy:** I am sure no one wants Canada to be a free rider. That's certainly not our reputation internationally. I know we've always done our part to try to address international crises and to make sure that we maintain peace globally. I think this is an important part of that, so thank you.

It's also not just south of the border. It's global. It doesn't matter if it's the United States, the U.K. or Germany, emissions are emissions and they're going to affect climate change globally, so it's irrelevant who's making them.

We've heard a lot of concern about the government not reaching its targets right now. We know, as you've mentioned, from the analysis that was done by Navius—there have been other people who have also done estimates—that right now, the climate policies will prevent 226 megatonnes of carbon pollution. That's roughly equal to the total annual emissions of Ontario and Quebec.

That says that without the programs we have in place—not just federal programs, but provincial programs as well, and even munic-

ipal programs—our emissions would be more than 40% higher in 2050 than they're currently on track to be. We have a huge gap. Even if we haven't met the targets—we put in place more aggressive targets for 2030 when we saw that we were on track to meet the 35%—these policies that are in place are still making a huge difference.

As the opposition rightly points out—they're very concerned that it's not enough—we have to do more to fight climate change. If you were to look at this and ask yourself what Canada could do that would really make a difference right now to meet these or even more ambitious targets, what would you say?

You've studied all these programs and you've looked at all of these policies. What could we do on a large scale that would really make a big difference?

**Mr. Jerry V. DeMarco:** I could look at that from two perspectives. One is what we should do in a thematic sense. Those are the eight lessons learned from the report. The other is that we could look at it from a sector point of view. What do we need to do to prioritize?

Surely, oil and gas and transportation, given how large a chunk of the pie they occupy in Canada...if we're going to meet the targets, we need to address those.

Comparing sectors to others—say, oil and gas to electricity, as I've done today—or comparing Canada to other G7 countries that have some similarities shows that it can be done. I don't want to be taken as being entirely negative about this. I still believe we could meet the 2030 target. However, we would need to bring down that oil and gas curve and make progress in all of the other sectors, especially transportation and building.

It has become such a race now from 2024 to 2030 that we're going to need help in all sectors, but those are the ones that I would say need to be targeted most significantly if we're going to have any chance to meet 2030.

**Ms. Leah Taylor Roy:** To address the concerns of the opposition, you're saying that oil and gas has to bring down their emissions somehow, whether it's through capping production—and the provinces can do that; obviously, that's not our jurisdiction—or bringing down emissions. The cap on pollution from the oil and gas sector, whether it's exactly the right policy or not, is the right direction. We have to bring down emissions from the oil and gas sector to get there.

Transportation—

**The Chair:** Maybe the commissioner could answer that question with a yes or no or something similar, and then we can go on to Mr. Fortin.

Do we need to bring down the emissions? I guess that's the question. Do we need to bring down the emissions from gas?

**Mr. Jerry V. DeMarco:** This is not just my saying it because, as I indicated, I'm not a policy adviser. There are other bodies for that, but the government's own plan relies on all sectors contributing.

**The Chair:** Yes, thanks.

Mr. Fortin, you have the floor.

[*Translation*]

**Mr. Rhéal Éloi Fortin:** Thank you, Mr. Chair.

Mr. DeMarco, we know that greenhouse gas emissions fell 7.1% between 2005 and 2022. We also know that the reduction target for 2030 was 40%. So the difference between those two percentages, nearly 33 percentage points, is significant.

Perhaps I'm naïve in saying this, but it seems to me that's a gap that's virtually impossible to close. Earlier, however, I heard you say the number was 36%.

Am I to understand that what we're going to achieve in 2030 is 36% if the government implements all the planned programs and meets all the targets it has set?

• (1245)

**Mr. Jerry V. DeMarco:** Yes.

There are two variances here: the one between 7% and 40%, which represents the results recorded in 2022 as a percentage of the 2030 target. So we have to hit 33% in order to close it.

As the forecasted target in the Environment and Climate Change Canada is only 36%, that creates another variance, but only in the plan. I also believe that 36% is an optimistic number because the one we meet will probably be a bit lower. The department therefore has to improve its plan if it wants to raise the number from 36% to 40%. It also has to improve its results in order to go from 7% to 40%.

**Mr. Rhéal Éloi Fortin:** Do you think it's realistic to think that we can meet those targets?

**Mr. Jerry V. DeMarco:** Yes, it's possible to get there in six years if we want to do it.

**Mr. Rhéal Éloi Fortin:** How can we do it?

**Mr. Jerry V. DeMarco:** We can do it by applying the measures that are in place and by adding others in order to close the variance to zero.

**Mr. Rhéal Éloi Fortin:** Are the subsidies associated with the green shift in public transit sectors such as school transportation a major factor in the equation? Shouldn't the subsidies currently granted to the oil industry also be abandoned?

I understand that you aren't the one who'll make that decision, but aren't these compelling ideas?

**The Chair:** Your time is unfortunately up, Mr. Fortin.

**Mr. Rhéal Éloi Fortin:** Could Mr. DeMarco answer with a yes or no, Mr. Chair.

**The Chair:** Can you answer with a yes or no, Mr. DeMarco?

**Mr. Jerry V. DeMarco:** It's more complicated than—

**The Chair:** You don't have to respond, and I believe that question has already been answered. We could obviously invest or divert allocated funds from one item to another.

**Mr. Jerry V. DeMarco:** There are two kinds of subsidies: those that help meet the targets, such as the net zero accelerator initiative,

and those that don't concern the targets and fall into the class of oil and gas subsidies, which we discussed.

**The Chair:** Thank you very much.

Ms. Collins, go ahead.

[*English*]

**Ms. Laurel Collins:** Thank you, Mr. Chair.

I want to go back to the question around carbon budgets.

Establishing carbon budgets is something that I pushed for when we were initially amending the net-zero accountability act. This is also a recommendation from the net-zero advisory body.

I'm wondering, Commissioner, if you can comment on how it might be beneficial if Canada were to adopt carbon budgeting.

**Mr. Jerry V. DeMarco:** You did get a chance to come back to the question. In the meantime, it allowed Ms. Leach to find the paragraph from last year's report about carbon budgeting, so I'll turn it over to Principal Leach to address that question, Ms. Collins.

**Ms. Kimberley Leach (Principal, Office of the Auditor General):** Thanks very much.

In our report from last year under the net-zero act, the 2023 audit, we talked about carbon budgeting as an effective tool for avoiding a slip in ambition and for course correction. As we know, carbon budgets allow a fixed total amount of greenhouse gas emissions over a period of time. In the U.K., they have legislated five-year carbon budgets. That is a tool they use for accountability, and they have been successful in setting and meeting their carbon budgets.

**Ms. Laurel Collins:** This is something that I pushed for when we were amending the net-zero accountability act. I was really disappointed that the government was not willing to adopt carbon budgeting here in Canada. We've seen the consequences of that.

I'm curious when it comes to other policies that the U.K. has implemented, which we could have learned lessons from. Have you looked at country comparisons, about what has been effective in other jurisdictions like the U.K., which have bent that curve and reduced their emissions more than Canada?

• (1250)

**Mr. Jerry V. DeMarco:** When we see the huge difference in performance between Canada and the U.K., it would obviously lead to the question about what they are doing that we aren't doing. They're not exactly in the same situation as Canada, but there are some similarities.

We did use some examples—not only carbon budgeting, but also some other examples—in the lessons learned report. Ms. Leach probably has those at the tip of her tongue as well.

**Ms. Kimberley Leach:** The U.K. Climate Change Committee has been an enormous accountability factor there. Yes, we have looked at other countries as well in our lessons learned document, including Norway, Denmark and some others.

**The Chair:** Is it all in the lessons learned document, basically?

**Ms. Kimberley Leach:** Yes it is, for both of those countries.

**The Chair:** Thank you.

We have Mr. Kram.

**Mr. Michael Kram:** Thank you, Mr. Chair.

Mr. DeMarco, I'd like to follow up with my questions from the previous round.

Given how far behind Canada is in meeting their reductions targets and the yet-to-be-announced new initiatives that would have to happen in order to meet that goal, is it a safe assumption that any plan or any initiatives to meet their climate change goals would come with significant economic cost?

**Mr. Jerry V. DeMarco:** There's a difference between financial costs and economic costs. Financial cost is essentially actual outlays of money that people.... Economic costs can factor in externalities and the costs of doing nothing and so on. I'm talking about collective action problems. It's not just what Canada does. If Canada and other countries step up, do their part and avert catastrophic climate change, then the economic costs would be positive to doing that, in the sense that a much hotter planet will have all sorts of other negative economic costs associated with it, which the insurance companies are dealing with already.

There is a financial cost to most measures, but the question of an economic cost brings in more factors such as externalities. The whole reason that all of the countries of the United Nations are trying to work on this is that they feel that the economic, health and environmental costs of not combatting climate change are worse than combatting climate change.

**Mr. Michael Kram:** Now, in the lessons that you've attached to your prepared statement, you say in lesson 3, "Adaptation must be prioritized to protect against the worst effects of climate change".

I'm interested in your choice of the word "prioritized". Are you saying that our adaptation efforts should be a priority over our climate mitigation efforts?

**Mr. Jerry V. DeMarco:** No, one can have more than one priority.

Mitigation and adaptation are both important. Relative to mitigation, as of the date of our report of 2021, adaptation had not been given enough attention in Canada, so it needed to essentially get more attention. That's why Ms. Leach's team is actually doing an audit on Canada's adaptation strategy right now for submission to this committee next year.

We're prioritizing it by doing a specific audit on it. Frankly, since 2021 there has at least now been a national adaptation strategy.

What year did we recommend that there be one, Ms. Leach?

**Ms. Kimberley Leach:** It was 2006.

**Mr. Jerry V. DeMarco:** In 2006, our office recommended that there should be a national adaptation strategy, and we just recently had it in the last few years.

**Mr. Michael Kram:** Okay. I look forward to reading it when it comes to this committee.

In your remarks you noted that transparency has been an ongoing problem with the government's climate change initiatives, in particular with the net zero accelerator fund.

You and your team had the opportunity to review the unredacted contracts, but parliamentarians did not. In the course of your review of those contracts, did you see any real reason why so much in those contracts had to be redacted for parliamentarians?

**Mr. Jerry V. DeMarco:** As I indicated quite quickly at the end of the previous round, I don't have the version you have, so I don't know what pages were redacted. I just know that some were redacted, but I don't know which pages.

**Mr. Michael Kram:** That's fair enough.

I would like to give my remaining time to Mr. Leslie.

**Mr. Branden Leslie:** Thank you.

I'd like to follow up on a previous report, on the Liberals' two billion trees plan, where they were accused of double counting and were still something like 1.8 billion trees short. I'm curious if that Liberal promise is any closer to being achieved.

Also, as it relates to forests, I'm sure you followed our investigation into the devastating Jasper wildfire this summer. Obviously, it came to light that poor forestry management practices, particularly through Parks Canada, were devastating in consequence.

I'm curious if you've ever thought about doing a study toward emissions release, which is obviously extensive from forest fires, as it relates to government failures in forestry management, particularly the federal government and Parks Canada.

• (1255)

**Mr. Jerry V. DeMarco:** I understand that you've had several hearing dates about that. Coincidentally, on the cover of our report on the net-zero act, report 7, is Jasper National Park with the burnt trees. We haven't done an audit on that subject specifically.

We have reported on the problems associated with Canada's accounting system for forestry and in the larger category of land use, land use change and forestry as the second part of our two billion trees report from a couple of years ago. We haven't done an audit specifically on the efficacy of forest management approaches to limiting the scale of destruction associated with these increased, intense and frequent forest fires.

**The Chair:** Thank you.

[*Translation*]

We will conclude with Ms. Chatel.

**Mrs. Sophie Chatel:** I'm going to let my colleague speak, Mr. Chair.

**The Chair:** All right.

Go ahead, Mr. van Koeverden.

[*English*]

**Mr. Adam van Koeverden:** Thanks very much, Mr. Chair.

Mr. DeMarco, you've come to this committee probably a dozen times since I've been here. I just want to thank you for being so available to the committee and also for your exceptional work. Canada's really fortunate to have an environment commissioner. Not every country does. I believe in accountable and transparent government. I believe in making sure that our ambitions and our goals are measurable and measured. For my part, I really appreciate your work.

Beyond that, I'm also very appreciative that we have somebody who believes in climate action, who believes in science and who comes here to genuinely.... I believe that you're doing your work so that our country plays a stronger, more ambitious role in reducing our emissions, fighting climate change and preserving our natural environment. Maybe in a future role or life, we'll find each other holding placards up in some kind of protest. I personally like "There's no planet B". I can imagine you similarly caring enough about our environment to show up on one of those opportunities.

I had the opportunity to look through the agenda of this committee between 2011 and 2015, when Harper had a Conservative majority in Canada. They didn't talk much about climate change. They actually didn't address it once. Obviously, when you have a Conservative government, you control the agenda at committee.

The environment was an issue then and so was climate change. I looked at the final report that the commissioner gave—a previous commissioner, of course—in 2015. He said, "we observed that the federal government did not...have a plan for how it will work toward the greater reductions required beyond 2020, and that it was not coordinating with the provinces" and it was not setting goals commensurate with a reduction in emissions.

I mentioned some provincial stuff earlier. I know that you're reticent to comment on extra-jurisdictional actions, but one thing that really concerned me in 2018, when Doug Ford got elected as premier in Ontario, which is my home province.... He'll take a lot of credit for things that previous governments did with respect to the phase-out of coal and the reductions in emissions that it led to, but he immediately axed the position of commissioner of the environment in Ontario. He also repealed a bunch of environmentally focused legislation and has really not demonstrated a sincere commitment to fighting climate change or lowering emissions in Ontario. In fact, he spent \$3 billion of taxpayer money buying gas plants for electricity generation.

I worry that a future Conservative government may not respect your role to the same degree that our government has. I worry that a future Poilievre-led government, given what the oil and gas sector

has said with respect to Pierre Poilievre and Andrew Scheer, is the best thing that could ever happen for the oil and gas sector. It won't be held accountable.

My question is maybe a little bit more personal. Are you fearful about whether the work, which you are able to do and that you do so well here in Canada, will continue if a government doesn't demonstrate leadership and ambition with respect to lowering our emissions, and if it doesn't value accountability to the same degree that our government has? Are you fearful that a future Conservative government could eliminate, like Doug Ford has already done, the position of the commissioner of the environment in Canada?

• (1300)

**Mr. Jerry V. DeMarco:** An auditor general's office—and there's one in almost every country—tends to stick around through feast or famine. It's an important accountability function that governments around the world have implemented.

I don't have a concern that our office would be hamstrung in the future from highlighting problems in the performance of government, whether it's on the financial side or in our performance audit work. We're here without fear or favour to provide the evidence that we found and to provide recommendations for improvement. Sometimes the truth can hurt politically, but our role is to provide that information to you as parliamentarians so you can hold government to account.

I'm fearful about the potential for catastrophic climate change and biodiversity loss, but I'm not going to be commenting on any fear. I haven't really turned my mind to any fear about my position or whatever. To be honest, the scale of the problem globally and nationally is what I'm worried about, not my own role.

**The Chair:** Thank you.

That's pretty much it.

**Mr. Adam van Koeverden:** Can I ask one short follow-up question?

**The Chair:** You have 15 seconds for a statement.

**Mr. Adam van Koeverden:** Can I ask, as a Canadian and as a self-described environmentalist, are you concerned in general about the direction the planet is heading in?

**Mr. Jerry V. DeMarco:** Yes. For the rest of my lifetime, due to the residency time of greenhouse gases in the atmosphere, things are going to get worse on climate, and things are bound to get worse on biodiversity, but we have the opportunity to lessen the damage and to do our best for future generations, and that's what I hope for.

**The Chair:** Commissioner DeMarco, it's always a pleasure to see you.

We thank you for your insights and analysis, Ms. Leach and Ms. Da Costa.

We look forward to seeing you again in the not-too-distant future, I'm sure.

Thank you again, and have a good day.

Thank you, members, for your questions.

This meeting is adjourned.

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