



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

45th PARLIAMENT, 1st SESSION

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# Standing Committee on Environment and Sustainable Development

EVIDENCE

**NUMBER 011**

Thursday, October 30, 2025

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Chair: Angelo Iacono





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Thursday, October 30, 2025

• (1105)

[English]

**The Chair (Angelo Iacono (Alfred-Pellan, Lib.)):** I call the meeting to order.

[Translation]

Good morning, colleagues.

I'd like to thank our witnesses for joining us today.

[English]

Today's meeting is number 11 of the Standing Committee on Environment and Sustainable Development. It is taking place in a hybrid format and is in public.

We have witness testimony for the full two hours.

For those in person, please follow the health and safety guidelines for using earpieces, as written on the cards on the table.

[Translation]

The committee is resuming its study on the effectiveness, potential improvements and capability of Canada's 2030 emissions reduction plan.

[English]

This morning we are meeting with the following witnesses.

As an individual, we have Madame Catherine Potvin, emeritus professor at McGill University, who will be with us by video conference. Good morning, Ms. Potvin.

From the Assembly of First Nations, we have Wendell LaBobe, regional chief, Prince Edward Island, and Graeme Reed, strategic adviser, environment, lands and water. Welcome.

From Oceans North, we have Amy Nugent, associate director, marine climate action, who is with us by video conference.

[Translation]

Each witness has five minutes for their opening remarks.

[English]

For witnesses, when you see this yellow card, understand that there is one minute left for your opening remarks or one minute left for your response to questions. When I turn it over, that means the time is up and you'll have to stop talking shortly.

[Translation]

Ms. Potvin, you have the floor for five minutes.

**Catherine Potvin (Emeritus professor, McGill University, As an Individual):** Good morning, and thank you very much for inviting me to appear.

I will focus on two topics today. Let's start with forests, since that's my own research topic.

Globally, we can say and we know quite well that forests capture about a third of the world's carbon emissions. Forests are therefore a great help in the fight against climate change. However, scientists are very concerned about what's called the tipping point—the moment when forests become unable to cope with climate change and start emitting carbon dioxide instead of capturing it.

That leads me to remind members of what happened quite recently in Canada. In 2023, forest fires in Quebec contributed to producing more carbon dioxide than all human activities combined. Forests have thus become an enemy in the fight against climate change rather than an ally. No one will forget the 2024 wildfires, when the town of Jasper, a symbol of our country, burned down to a large extent. This year, in 2025, the forest fires were so intense in the Prairies and in British Columbia that, even in Quebec—and in the Maritimes, I believe—we could barely breathe for several weeks. We're not talking about just a few days.

The situation we find ourselves in this year is no longer the same as it was 10 years ago, in 2015, when Canada signed the Paris Agreement. We are in an extremely perilous situation, and all scientists agree that climate action must be accelerated. Unfortunately, when we look at Canada's emissions trends, we realize that we've reached a plateau: We're not reducing emissions, even though the 2030 plan was very well designed.

Together with a group of colleagues from across Canada, we launched an initiative called Dialogues for a Green Canada, which was formed before the Paris climate conference to suggest potential solutions. We would like to highlight six measures that could help Canada meet its targets—perhaps not by 2030, but at least get us back on track. We believe our proposals reflect the mindset of Canadians and the concerns they've expressed across the country.

In the context of major infrastructure projects, there is an urgent need to facilitate electric interconnection between provinces. Some Canadian provinces produce low-carbon electricity, while others do not. The latter could therefore benefit from exporting electricity from east to west or west to east. It's very important. That electricity could be powered by improved renewable energy production. I would like to point out that Alberta is the province with the greatest solar energy potential in Canada, making it an extremely attractive option. The same holds true for wind energy in the Maritimes.

Canada should also shoulder its responsibilities for rail transportation. We know very well that rail transportation is by far the most efficient mode of transportation for reducing greenhouse gas production and that it falls under federal jurisdiction. Rail inter-switching is therefore desirable.

Canadians are currently deeply concerned about the cost of living. We believe Canada should support the changes people are making by helping them live in more energy-efficient homes and drive low-carbon cars. Such support would be achieved through regulation and financial incentives.

Canada must also consider international competition, because it is losing ground on that front. Indigenous leadership should be recognized, because most of the renewable energy initiatives come from our first nations. Investments in national security can also contribute to renewable energy initiatives. Finally, we cannot avoid thinking about justice and equity at this time, because it is Canada's poor who are suffering from the impacts of climate change and are unable to cope with them.

Thank you.

• (1110)

**The Chair:** Thank you for your remarks, Ms. Potvin.

Ms. Amy Nugent now has the floor.

[*English*]

You have five minutes.

**Amy Nugent (Associate Director, Marine Climate Action, Oceans North):** Mr. Chair and honourable members of the committee, thank you so much for the invitation to appear before you today.

My name is Amy Nugent. As you said, I am here representing Oceans North. We are a Canadian charitable organization that supports marine climate action and marine conservation in partnership with indigenous and coastal communities.

With the longest coastline in the world, an exclusive economic zone of six million square kilometres and the Great Lakes-St. Lawrence sea system linking the Atlantic Ocean to North America's industrial heartland, Canada's prosperity has always been tied to the sea. It's only natural to build upon that strength as we consider climate competitiveness today.

The communities Oceans North works with and in are also some of the most immediately impacted by climate change. From changing migration patterns for sea mammals and harvesting patterns for hunters to the 133 small craft harbours that sustained damage from hurricane Fiona in 2022, coastal and indigenous communities are at

the face of exposure to climate change, as well as the loss of livelihoods that it threatens.

As I am sure the committee has heard over the last weeks, the emissions reduction plan was very far from perfect, but sector-specific pathways are essential for reducing emissions and supporting the long-term economic security and prosperity of Canada, including our coastal communities.

That said, the ERP contained few specific actions to support energy transition in the marine sector. It did, however, commit to developing a national marine climate action plan. It has yet to happen, so there is an opportunity now for members of this committee to call for actions and investment to support Canada's marine industries to commercialize and scale up zero-emission energy, fuels and technologies.

First, globally, ports increasingly are recognized as critical economic and energy infrastructure. The Government of Canada's projects of national interest list rightly highlights the need for port investments that expand the port of Montreal at Contrecoeur and address offshore wind in Nova Scotia and northern port development at Grays Bay in the western Arctic.

Let's be clear. This moment demands a lot more than expanding capacity only or supporting fossil fuel exports. The next round of nation-building investments must align port modernization with the clean energy transition.

Modern electrified ports are multipliers. They connect offshore wind to the grid, enable energy storage, connect rail and road transport, facilitate electrified cargo handling and support supply chains for zero-emission marine fuels. By designing ports as hubs for clean energy and fuels, we can maximize the value of federal infrastructure spending and create lasting economic opportunities.

Globally, our competitors are moving fast. China, the EU and India are electrifying ports to capture cleaner trade. The Global Maritime Forum projects that demand for hydrogen-derived shipping fuels like e-methanol and e-ammonia will exceed 500 million tonnes by 2040—a \$1-trillion market and a large-scale job creator. If Canada does not act, our ports risk becoming destinations for the most polluting ships, and we will lose associated innovation opportunities in emerging clean fuel supply chains.

At a smaller scale, we have an immense and immediate opportunity to electrify fleets of ferries and workboats across the country. Electric vessels save money on fuel and maintenance, albeit today they are more expensive up front. They are quieter for workers. They also virtually eliminate air pollution for local communities, thereby improving human health significantly. These boats—fishing boats, tugs, tour boats, and pilot and Coast Guard vessels—can be designed, built, maintained and operated locally, supporting local economies.

Canada is well positioned for this opportunity today. We have abundant wind and solar resources, as my colleague just outlined. We have skilled workers and world-class ports. By embedding electrification, marine clean tech and zero-emission fuel infrastructure into our climate actions, Canada will both reduce emissions and support economic growth.

Thanks so much. I, of course, welcome your questions.

• (1115)

**The Chair:** Thank you very much, Ms. Nugent.

Now the floor will go to the Assembly of First Nations for five minutes.

[*Translation*]

Mr. LaBobe, you have the floor.

[*English*]

**Wendell LaBobe (Regional Chief, Prince Edward Island, Assembly of First Nations):** Good morning. My name is Wendell LaBobe. I'm the P.E.I. regional chief of the Assembly of First Nations.

I'd like to acknowledge that we are here on the unceded, surrendered territory of the Algonquin nation. Thank you to the committee for the invitation to appear here today.

The AFN works on the basis of direction from the first nations in assembly, which has provided clear direction that urgent, transformative and rights-based climate action cannot be sidelined during efforts to advance economic security and competitiveness.

It is a shame that first nations voices cannot be here to contribute to this important study. The committee must hear directly from first nations rights holders, which includes extending the study.

To prepare for this appearance, we developed a technical submission outlining eight recommendations. In the interest of time, I'd like to speak to three broad themes capturing our recommendations: one, taking urgent, transformative action in line with our AFN national climate strategy; two, upholding free, prior and informed consent and the minimum standards of the United Nations Declaration on the Rights of Indigenous Peoples; and three, shifting to a new transformational approach rooted in mutual reciprocity between people and the land.

First, with regard to urgent and transformative climate action, in 2023, the first nations in assembly reaffirmed their declaration of a first nations climate emergency and endorsed the AFN national climate strategy. The AFN national climate strategy calls on the government to work with first nations to implement self-determined

climate priorities, identifying seven priority areas and the concept of a first nations climate lens.

With the current focus on economic security and competitiveness, the government is at risk of backsliding on its climate commitments and on its commitments to reconciliation. This is a serious concern, given the state of climate emergency we are currently facing and Canada's history of making and then missing emissions reduction targets.

The year 2024 was the warmest on record, and it was the first calendar year that the average global temperature exceeded by 1.5°C its pre-industrial level. The government's new climate competitiveness strategy is being developed behind closed doors to focus on outcomes, not objectives, and technological solutions. This not only represents a shift away from the existing targets, but also neglects the long-standing call from first nations that climate policy must be done in direct partnership with first nations rights and title holders.

Second, because of free, prior and informed consent and the minimum standards of the United Nations Declaration on the Rights of Indigenous Peoples, the government has an obligation to work directly and in full partnership with first nations rights and title holders to implement first nations' climate priorities, including the development of emissions reduction plans. This is enshrined by our rights protected in section 35 of the Constitution.

Despite the intentions, direct engagement with first nations did not occur in the development of the Canadian Net-Zero Emissions Accountability Act, the 2030 emissions reduction plan and the setting of the updated 2035 emissions reduction target. This concerning trend continues as the next iteration of federal climate policy and climate competitiveness strategy advances while first nations sit on the sidelines.

Crown governments cannot make decisions in the national interest without first nations directly at the table. Such an approach is incompatible with the UN Declaration on the Rights of Indigenous Peoples and the Canadian Net-Zero Emissions Accountability Act, which clearly state that Canada must consult and co-operate with first nations to obtain their free, prior and informed consent.

Finally, we have the third theme: a transformational approach that includes first nations knowledge systems.

Over the last eight years, AFN has been working with first nations to develop the concept of a first nations climate lens. This concept has clear applicability to net-zero conversations, more specifically to emissions reduction plans, in three ways. First, net zero must not be interpreted as the end goal but be conceptualized as the process leading to a just, equitable and resilient future for our future generations founded on first nations' right to self-determination. Second, it challenges the mitigation dichotomy rampant in climate discussions by focusing on the complex and multi-dimensional nature of first nations climate solutions. Third, it shifts our focus towards the interrelationship between the three Cs—colonialism, capitalism and carbon—centring on an approach rooted in relationships that value the nexus of people, land and our mutual reciprocity. From this perspective, it's not just a global shift and movement away from the status quo but rather a revitalization of our value systems, value systems that connect to the land and nature laws that govern our interactions with all creation.

• (1120)

Canada is at a crossroads. The magnitude of the climate crisis requires a transformational shift in the approach that Canada and the world take to address the climate crisis. Instead of doubling down on the approach of climate competitiveness that invests in the same technological and market-based system that created this problem to begin with, we must see great potential for this committee to apply a first nations climate lens to the implementation of Canada's 2030 emissions reduction plan and all of Canada's climate policy going forward.

In closing, first nations' solutions could reframe the conversation and lead to transformative—

**The Chair:** Thank you, Mr. LaBobe.

Thank you to all of the witnesses for their opening remarks.

We will now start with the Conservative Party and Mr. Ross for six minutes.

**Ellis Ross (Skeena—Bulkley Valley, CPC):** My first question goes to Mr. LaBobe.

I read your document that you submitted to the environment committee. Thank you for that. It's very well written and very clear.

Prior to white contact, first nations did not have hospitals, highways, schools, medicine, phones, computers or even money, for that matter, so I'm quite interested to hear what the Assembly of First Nations means by saying that we have to return to the land. Can you expand on what that actually means?

**Graeme Reed (Strategic Adviser, Environment, Lands and Water, Assembly of First Nations):** I'll start. *Meegwetch* for the question.

That specific point comes from how we've worked to conceptualize a first nations climate lens, and ultimately from the problem that elders and knowledge-keepers have identified as the root causes driving the climate crisis we're faced with.

In that regard, what they say is that we're experiencing an imbalanced relationship with the natural world. What the centre of that—

**Ellis Ross:** I get the high-level discussion.

The quality of life that's been afforded to all Canadians, not just aboriginals, is based on energy as a fundamental component. For returning to the land, I just want to know whether we're talking about the houses we dwell in, for example, or maybe the energy source. What specifically are we talking about by saying, "Let's return to the land"?

**Graeme Reed:** I think we're both talking in the practical of how we ensure that our energy systems, our health systems and our housing systems are efficient and responsive to the world around us. We're also talking in the conceptual about how we shift our mentalities toward really thinking about fulfilling our relationship to the natural world.

For instance, on this specific question, as we have put in our submissions, part of the desire that first nations have brought to this conversation is bringing up the living standard that first nations experience to be like the rest of Canadians' through—

**Ellis Ross:** Chief, that's not the context. Maybe we're on different wavelengths here. I see returning to the land as meaning walking away from the 21st-century conveniences that have this standard of living, unless I'm misunderstanding the term "return to the land".

Let's be clear. Before white contact, we were talking about fire as a major energy source for our cooking and heating. Is that the kind of context we're talking about?

• (1125)

**Graeme Reed:** No. I don't think in any of the conversations we've had with first nations that the interest is to completely separate from society. It's rather to ask how we can draw on first nations' knowledge systems to build systems that fulfill both of the obligations—those connected to the land and those ensuring that first nations have appropriate access to all of the other services that Canadians have more broadly, which we know doesn't occur currently. That's why we've emphasized closing the infrastructure gap. Part of this is about ensuring first nations' living standards are equal to those of the rest of Canadians.

**Ellis Ross:** Okay, good. Thank you for that.

The new Carney government started out with a promise to "build, baby, build" in response to Trump's pressure on Canada. It led to a number of different initiatives coming out, so I assume the presentation forwarded to us by the Assembly of First Nations is talking about putting limits on the build program for oil and gas projects, for example.

**Graeme Reed:** In the specific context of Bill C-5 and the overall objectives of Prime Minister Carney, our interest is very much to ensure that first nations have the authority and jurisdiction to make decisions on their lands and territories. That doesn't necessarily say we're prejudging a decision that first nations should make. Rather, we're saying that big projects need to be done with the full consultation—free, prior and informed consent—of first nations themselves.

**Ellis Ross:** In the context of the emissions cap that might or might not be imposed—I'm reading through your document here; forgive me—it seems to me that the Assembly of First Nations is not terribly enthused with the emissions standards that will be proposed by the federal government. Am I correct in saying that?

**Graeme Reed:** I would broadly say, with the specific resolution 36/2023, first nations in assembly have reaffirmed a specific target, including a 60% reduction by 2030 and net zero by 2050. Our priority is to ensure that the action led by the federal government is reflective of the first nations in assembly call.

**Ellis Ross:** That can vary by rights and title holders and treaty holders across Canada, who might not agree with that perspective, with or without federal policy. What do you say to the first nations that say an emissions cap will limit their economic future in terms of oil and gas projects?

**Graeme Reed:** I don't think we are trying to make a specific determination on how first nations are deciding what happens on their lands and in their territories. Really, the priority of self-determination is that first nations can make those decisions.

Our objective is very much to make sure there is sufficient action federally so that the impacts that first nations are facing don't continue to accelerate.

**The Chair:** Thanks, Mr. Reed.

[Translation]

Go ahead, Mr. St-Pierre.

**Eric St-Pierre (Honoré-Mercier, Lib.):** Thank you, Mr. Chair.

Professor Potvin, at the end of 2024, you decided to leave the Quebec government's Advisory Committee on Climate Change. Can you explain the committee's role and why you decided to leave it?

**Catherine Potvin:** The role of the Advisory Committee on Climate Change is to advise the Quebec Ministry of the Environment on the way forward. I left because I was uncomfortable with the committee's timid approach.

When I left, I indicated that the situation was extremely urgent. The 2023 wildfires really traumatized me, because I could see and feel our fears materializing in terms of the climate tipping point. My job is to help people understand that we're headed for a tragedy, so I would have liked the committee to be bolder and more innovative in their thinking. Right now, we need to muster all of our efforts and imagination to get through this together.

My departure was a very personal decision. I fulfilled my mandate by staying for my three-year tenure. I decided not to continue.

• (1130)

**Eric St-Pierre:** An article published in *Le Devoir* on October 8, 2024, quotes you as follows: “What we were trying to say—politely—is that Quebec's emissions reduction is practically nil.”

First, can you find that article and provide it to the committee? Second, please explain to us why Quebec's reduction in greenhouse gas emissions is practically nil.

**Catherine Potvin:** You're a Canadian committee, so I'll say that in Quebec—as across Canada—we have a major transportation problem. We're not relinquishing our love of the car, even though transportation is our second-largest source of greenhouse gases.

In both Quebec and Canada, we would expect governments to have meaningful regulations, ban combustion engines in the near future and ban advertising for cars. Yes, these ads sell a certain freedom and a way of life. However, it was done with cigarettes. Humphrey Bogart with his cigarette was encouraging people to smoke, and they realized that selling cigarettes was very bad and they were able to take some innovative steps. That's not being done, however, in the transportation sector—whether in Quebec or in Canada. Yet it must be done, and we are counting on you.

**Eric St-Pierre:** Since you're from Quebec, I'd like your opinion on the third link project. Would this project be a positive step towards reducing Quebec's greenhouse gas emissions?

**Catherine Potvin:** Quebec's climate change advisory committee made a statement about the third link while I was still a member of it. All the studies show that the third link would really not have any benefit. The committee called for a halt to the expansion of anything related to highways and major projects of that kind. If there were a third link exclusively for public transit, that might be helpful. I do not think that is a promising project for Quebec though. Moreover, now is not the time to invest in more highways.

Furthermore, we need to rethink the system. Let me tell you that my granddaughter was in Japan this summer. When I told her that the Via Rail train that runs across Canada travels at 60 kilometres per hour, she started laughing because the train she took in Japan travelled at 600 kilometres per hour. We are significantly behind on the international scene.

**Eric St-Pierre:** Can you tell us quickly if you think Quebec is on track to meet its objectives for 2030?

**Catherine Potvin:** Unfortunately, I don't think any level of government is helping us right now to achieve our objectives for 2030. As a Canadian and a Quebecker, I expect more from my government to make our lives better. A tragedy is coming for low-income earners, our children and our grandchildren. It is up to you: We elected you to guide the country.

**Eric St-Pierre:** Thank you, Ms. Potvin.

[*English*]

Mr. Reed, I have a few seconds left.

In the past, we've discussed carbon pricing. I'm curious to get your perspective on industrial carbon pricing, or your organization's perspective on the industrial carbon price.

**Graeme Reed:** I appreciate that.

Very quickly, our focus was mostly on consumer carbon pricing and ensuring that first nations could appropriately benefit from the recycling of revenues.

In the context of industrial carbon pricing, I think the priority would very much be how first nations that are creating their own carbon-related projects can benefit through either offsets or other voluntary markets.

**Eric St-Pierre:** Thank you.

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

[*Translation*]

Mr. Bonin, you have the floor for six minutes.

**Patrick Bonin (Repentigny, BQ):** Thank you, Mr. Chair.

Thank you to our distinguished witnesses.

Ms. Potvin, I believe you said that the 2030 emissions reduction plan was well thought out, but not perfect. I think you said there have been setbacks on the environment, in particular since Mr. Carney took office. Can you elaborate on those setbacks? In your opinion, are they acceptable in 2025? How serious are those setbacks in terms of meeting greenhouse reduction targets?

• (1135)

**Catherine Potvin:** First of all, the plan was very broad, covering construction, industry, transport and the oil and gas sector. The price on carbon was of course the centrepiece though. So the first thing Canada's new government did was eliminate the price on carbon.

That decision was clearly highly problematic, in two ways. I know that people across the country disliked this regulation, but carbon pricing was a way for the government to generate revenue that it could in turn have invested in low-carbon alternatives.

So the federal government made things much harder for itself by eliminating that source of revenue. There are two levers: regulation and investment. Regulation is not very popular, but it is more acceptable when paired with investment. For example, the public is more receptive to measures to eliminate the sale of combustion vehicles if there is also an incentive covering the price difference between those vehicles and electric vehicles.

Finally, the government is hurting us and itself by eliminating the revenue generated by carbon pricing. This directly contradicts the fundamental principle of user pay. We know where the problem lies. It has been identified and well explained; moreover, everyone understands it. So it cannot be resolved unless something is done about it. I think that is a great weakness right now. We have also

heard talk about carbon pricing for heavy industry and I hope that promising approach will be part of the government's solution.

**Patrick Bonin:** Thank you.

Mr. LaBobe and Mr. Reed, from the Assembly of First Nations, I understand that you were not consulted at all on the climate competitiveness strategy. How problematic is that for you? What kind of consultation should the government conduct, on this strategy and on the development and enhancement of its emissions reduction plan?

[*English*]

**Graeme Reed:** I can start briefly, and then the regional chief can add to that.

First nations have not been consulted on the federal approach to carbon competitiveness. What we're concerned about is losing the last 10 years of collaborative discussions on what first nations require to ensure that decarbonization advances alongside decolonization.

Often what we've done to advocate for specific rights and title holders is ensure they have sufficient time and financial and technical resources to contribute meaningfully.

Different processes have occurred that provide better space and time for first nations, and we would look to return to those best practices to ensure that moving forward, first nations don't get structurally excluded.

[*Translation*]

**Patrick Bonin:** I gather that the Assembly of First Nations was not pleased with the way the government developed and implemented Bill C-5. The same thing is true for Canada's climate strategy. With regard to major projects and combatting climate change, do you think the government is backtracking, including in its relationship and reconciliation with first nations?

[*English*]

**Graeme Reed:** Just broadly, first nations were concerned about the speed at which Bill C-5 was advanced through the House and the Senate. The Assembly of First Nations hosted two national virtual forums to respond to the prospect of accelerating project development and the concerns that first nations have with respect to major project development.

Is this a rescinding of the progress that was made? I think the concern is very much that we're not benefiting from the 10 years of experience we have in positioning first nations in a more meaningful way, and we're sacrificing relationships for expediency. Our position is very much about how we can ensure that first nations have appropriate time and capacity to contribute to these essential conversations.

• (1140)

[*Translation*]

**Patrick Bonin:** So you maintain that the government should consult you before it publishes its climate competitiveness strategy. Is that correct?

**The Chair:** Mr. Bonin, your time is up.

[*English*]

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

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

Ms. Nugent, Oceans North has been quite vocal in its support of the UN's net-zero shipping tax. Could you tell me exactly what this new tax would cost in numerical terms?

**Amy Nugent:** First of all, I would say that in 2023, the International Maritime Organization agreed unanimously to a net-zero strategy on global shipping and had been working on measures to reduce emissions in that sector. That was agreed to in 2023.

For some background, the goal being net zero—

**Branden Leslie:** I'm sorry to interrupt you. Do you have any idea, based on the expected valuations of the net-zero shipping tax, what the collections would be?

**Amy Nugent:** I was going to explain how you derive the cost—

**Branden Leslie:** I'm just looking for a number on this.

**Amy Nugent:** The number comes from measures to reduce emissions. If you're reducing emissions and getting to net zero in the maritime sector, which has not yet had the benefit of any transition investment, you would need.... Estimates of what it would cost to get to that transition put it at about \$500 a tonne.

We saw similar costs when we did early-stage transition, for example, in the oil and gas sector in Alberta, where I worked. If you put \$500-a-tonne cost to the transition.... One of the measures in the net-zero framework at the IMO was putting a \$380-a-tonne charge on the ships that exceeded a threshold. On the dirtiest ships—

**Branden Leslie:** Thank you, Ms. Nugent.

I'm going to move on to the government's positioning on the tax, if we don't know the numbers.

It's been reported that the federal Liberals have been supportive of this tax. Is that correct in your assessment?

**Amy Nugent:** I can comment on the Government of Canada. I think you're asking about the party, so we can do that in terms of the Government of Canada's role in the negotiation.

The position has been, along with the United States at the time, previous to the recent meeting, and the United Kingdom and other marine nations, to support that net-zero framework. As I said, in 2023, that was actually a unanimously supported framework by the IMO.

Yes, they're definitely supportive of measures to reduce greenhouse gases in the shipping sector.

**Branden Leslie:** The IMO documents acknowledge that this tax will increase the price of food. Has any assessment been done, by

you or any organizations involved in the advocacy, as to how much the price of food would increase from this UN net-zero shipping tax?

**Amy Nugent:** The IMO itself, with member states, did do cost analyses. I think what you're driving to is whether this is going to increase the cost of the goods that are shipped.

Of course, an analysis is done on that by a committee of the IMO. I'm not involved in those technical discussions, but absolutely mitigating those costs and ensuring that you're not driving up prices of consumer goods or goods being shipped is among the objectives.

**Branden Leslie:** Who do you expect to absorb those costs, then? Will the shipping companies be expected to absorb them, or ultimately will consumers in Canada and everywhere in the world absorb them?

**Amy Nugent:** Let's defer the costing analysis to the body that did it.

We can look at costs here at home, domestically, which is the focus of Oceans North's work. If we're thinking about, for example, installing shore power at the port of Montreal and the expansion at Contrecoeur, those funds can be passed through by cruise ship passengers.

That's an example of an area where we'd say there's an appropriate cost pass-through. We could have an extra few bucks on a cruise ship trip to pay for eliminating pollution at the port of Montreal.

• (1145)

**Branden Leslie:** I would ask you more specifically about the folks I represent, the ones on a fixed income—say, seniors—who are also going to face an extra few bucks on their grocery bill, on their heating bill and on everything else that has been passed through to them. It's one thing to talk about the cruise ship person paying a few extra bucks—that's a nice way to singularly look at it—but what about everybody else who's going to pay more for every single thing that's imported into this country?

**Amy Nugent:** I don't see that analysis borne out. Canada, largely from shipping, is an exporting.... We're putting out our goods through export, and absolutely you would mitigate the costs of the transition.

The question would be, what are the costs of the impacts borne by our communities in climate change, and the health costs of the pollution dockside?

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

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

**Bruce Fanjoy (Carleton, Lib.):** Thank you very much.

Thank you, witnesses, for joining us today.

Mr. LaBobe, I'd like to direct my first question to you this morning.

My Conservative colleague said something in his questions about the position of the Assembly of First Nations. He accused it of “walking away” from the 21st century. I thought that was a very interesting characterization since most of us in Parliament are trying to bring the Conservative Party into the 21st century.

I'd like to give you an opportunity to clarify the indigenous perspective on addressing climate change.

**Wendell LaBobe:** I was not necessarily saying we have to go back to the old ways, but there's our traditional knowledge of our old, ancestral ways. When you look at it this way, our people used what we needed, and we didn't take too much. We respected Mother Nature. We respected our animals and everybody around us.

Really, we're not saying to go back to our old ways of doing things, but to bring some of our old knowledge back. Just adopt it into today's society is what I'm trying to say.

I'm not saying to go all the way back, but to respect our traditional knowledge and our traditions, and incorporate that into the discussions you are having when you guys do these policies.

**Bruce Fanjoy:** When you were making your opening statement, you didn't get a full chance to finish. Is there anything else you wanted to share with us from your opening statement?

**Wendell LaBobe:** No, I got in pretty much everything I needed to say. I just missed out saying in my closing remarks that our recommendations are fully elaborated on in our AFN technical submissions to your committee. You guys now have them in your packages.

**Bruce Fanjoy:** Thank you.

Madame Potvin, nature is something that unites Canadians. Nature-based solutions are also some of the most affordable and effective ways for us to address the climate crisis we're having.

Can you elaborate on what you see as the most powerful nature-based solutions we should be leveraging in Canada?

**Catherine Potvin:** In Canada, nature-based solutions are more efficient in the agricultural sector. I think it would be incredibly politically tempting...so thank you for this question. It seems as though climate policy often concentrates on urban set-ups. That's mostly because most people live in cities. It leaves the rural areas feeling vastly abandoned, not concerned with and even negatively impacted.

If we think about farming, a transition to no-till agriculture, for example, which provides a large store of carbon in agricultural soil, could be supported by the federal government through training and incentives. Usually farms have a lot of buildings. There could be solar panels on these buildings so that farms could produce their own energy and maybe even sell energy to the grid, which would be beneficial. I actually come from a farming family. My daughter has a farm. She's a horticulturist, so it's a topic I really like.

People who have cattle could use manure and biodigestion to produce methane and then produce natural gas, which is renewable and could be used for heavy machinery. There are really exciting examples, in particular in Manitoba, of farmers who are embracing the transition and moving forward. I think it's a topic of interest. It's not a big sector of emissions for Canada, with more or less 9% of

greenhouse gases, which is maybe why it has not reached the forefront, but between the carbon we could put in the soil and the rest of the modernization of farming, I think it's a really good avenue.

In Canada, unfortunately, I think the forest sector is now so stressed that we should aim at protecting it rather than considering it a solution. We want to try to limit the climate warming up and drying so that our forests can still help us. I don't think we can invest in that as a natural climate solution.

• (1150)

[Translation]

**The Chair:** Thank you, Ms. Potvin.

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

**Patrick Bonin:** Thank you, Mr. Chair.

Ms. Nugent, emissions from the marine sector currently account for 3% of global greenhouse gas emissions. Are marine transport emissions expected to rise to about 10% of global emissions unless we see regulations and a drop in emissions?

[English]

**Amy Nugent:** You're right; emissions in the sector overall are currently the size of those in a country about the size of Germany and are expected to rise. A recent study of vessel traffic on Canada's west coast—this is positive news in some economic respects, for sure—has a very large increase, an increase of about 600%, in ship traffic. We're looking for ways to mitigate the impacts of those volume increases.

[Translation]

**Patrick Bonin:** Could you provide us with your solutions to reduce the marine sector's emissions at both the national level and the international level?

[English]

**Amy Nugent:** Do you mean to talk through them or to submit them in a more formal way?

**Patrick Bonin:** Yes, in a more formal way. I'm running out of time.

**Amy Nugent:** I would be very happy to. Thanks for the invitation.

[Translation]

**Patrick Bonin:** Thank you.

With regard to black carbon, which you mentioned, do you think Canada's strategy should be updated or enhanced? Do we need to focus on black carbon in order to reduce emissions?

[English]

**Amy Nugent:** The Clean Arctic Alliance, with colleagues and leaders across the Arctic, has off-the-shelf solutions where you can move to a different kind of available fuel, very similar to blends you see in other sectors, and you can eliminate black carbon. Black carbon is right now a vicious-cycle pollutant and a superpollutant in the Arctic that's making ice melt and the planet heat up faster. You could virtually eliminate it overnight through a drop-in fuel switch.

[Translation]

**Patrick Bonin:** Thank you, Ms. Nugent.

Ms. Potvin, you mentioned your concerns about forestry and agriculture. I think we are running out of time, but can you suggest some solutions for managing emissions from forestry and agriculture? You may also provide them to us in writing.

• (1155)

**Catherine Potvin:** For forestry, it is simple: reduce emissions from transportation and the oil and gas sector. The issue for forestry is that temperatures are too high. Temperatures are rising too quickly.

**The Chair:** Thank you, Ms. Potvin and Mr. Bonin.

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

[English]

**Ellis Ross:** Mr. LaBobe, I've based my questions today on your submission to the environment committee. What was missing was whether or not the AFN supported one of the Liberals' key components of a climate action plan, which is the carbon tax. It's not in your submission. Did the AFN support or oppose the dropping of the consumer carbon tax?

**Wendell LaBobe:** I'm going to pass this over to Graeme to answer.

**Graeme Reed:** I would broadly say we've had long-standing mandates on positions related to carbon pricing. Rarely have they been in explicit support. By and large, they've been about reducing the disproportionate impacts on first nations as a result of the consumer carbon price in particular.

**Ellis Ross:** Thank you for that.

What about the Liberals keeping the industrial carbon tax? It has been argued those costs will actually be transferred to the consumer as well. Does the AFN have a position on the industrial carbon tax being kept by the Liberal government?

**Graeme Reed:** No, I would say our contributions were for the entirety of the federal backstop, which is to say that first nations need to be appropriately positioned as rights and title holders within the design, implementation and potential impacts of carbon pricing. We haven't yet gotten an updated mandate on the basis of what Prime Minister Carney is doing with industrial and consumer carbon pricing.

**Ellis Ross:** In reading some of the submissions, first nations are saying they're unfairly impacted because of the affordability of the

carbon tax, especially in remote communities. Does the AFN support that position?

**Graeme Reed:** I would say that by and large, the bulk of our position is to ensure carbon pricing does not disproportionately impact first nations in any way. A lot of the contributions we've been trying to provide, including in submissions directly for the design of the Greenhouse Gas Pollution Pricing Act, have been to reduce the impacts that first nations are facing and to support the very specific concerns that first nations from across the country have been raising, such as first nations in Ontario.

**Ellis Ross:** Perfect. I won't cover the Ontario article, then.

The Major Projects Office wants to expedite and fast-track projects, specifically oil and gas pipelines, for instance. There is a concern that rights and title interests would be overridden by this new policy, with or without what Prime Minister Carney has been saying. The Ontario chiefs are basically experiencing this first-hand now. Their complaint is that negotiations for major projects were going fine until this announcement, and now they feel they're being ignored by proponents and being ignored by government.

Is that what the Assembly of First Nations is hearing currently?

**Graeme Reed:** In our national consultations on Bill C-5, we heard of the specific experiences of first nations in Ontario and B.C. because of provincial legislation that preceded Bill C-5. In Ontario, it's Bill 5. In B.C., it's Bill 14 and Bill 15, both of which are accelerating projects to the detriment of first nations' full and effective participation.

**Ellis Ross:** I've done environmental assessments and permitting for 20 years, and I could not figure out the substance of the national Building Canada Act. It's a very brief document. Bill C-5 itself was also very brief. We don't have the mechanics of how it is supposed to work to retain robust environmental standards and how it will address aboriginal rights and title. Has the government actually detailed this to you in either respect?

**Graeme Reed:** No, not yet. The only conversations we've had so far were with the Impact Assessment Agency and were about trying to adhere to the two-year timeline that was identified. It wasn't specifically identified in legislation, but in subsequent policy direction. I have not yet seen what the implications of it are.

• (1200)

**Ellis Ross:** To follow up on another question—you don't have to answer it here because of time—I understand the AFN doesn't support the carbon tax because of the affordability measures and the consultation measures. In that context, will the AFN support or oppose Canada's support of the International Maritime Organization imposing a carbon tax on shipping?

**Graeme Reed:** The very short response is that we would need to seek direction from the first nations in assembly to take that sort of position.

**The Chair:** Thank you, Mr. Ross. As you can see, I was generous. I've been generous with all the witnesses in letting them finish their sentences. On average, members have been getting an extra couple of seconds. I've noted that down. If ever I'm challenged, I can give you numbers. I like to be fair.

Next is Mr. Fanjoy.

The floor is yours for five minutes.

**Bruce Fanjoy:** This is for the Assembly of First Nations.

One of the perspectives that first nations bring to this discussion is the concept of thinking seven generations into the future when we look at the actions we take today. Can you speak to that and how we contrast it with the short-term thinking that, unfortunately, affects much of our policy-making, particularly from Conservatives?

**Graeme Reed:** I'll start briefly.

The core of our national climate strategy is very much to identify the values and behaviours driving the system of short-term thinking and how we then move those values and behaviours into a system that has a relationship and reciprocity with the land.

In our submission, we talk about how we avoid thinking about net zero as an end point and rather as a process to a just, equitable and resilient future. That future for first nations is about the ability to continue to exercise their relationship with their lands, waters, air and territory to ensure they can fulfill their obligations and pass those obligations on to future generations.

The absence of taking up that longer-term thinking and being able to see longer term is going to continue to prevent first nations from exercising those abilities.

**Bruce Fanjoy:** Mr. LaBobe, I understand you're from Prince Edward Island, a part of Canada that's dear to me. Hurricane Fiona damaged small craft harbours up and down the east coast. Repairing and rebuilding are ongoing. Is there any way to ensure that our infrastructure improvements are more climate-resilient?

**Wendell LaBobe:** Fiona did do significant damage on Prince Edward Island and throughout Atlantic Canada.... We lost a lot of our sand dunes to erosion, and we're still feeling the effects of it all right now. As I said, we need to work together to ensure that we come up with a good strategy to fight future Fionas—hurricanes like that.

By including first nations and by working with the government, I believe we can come up with a good plan to fight this in the future and come up with a good strategy to combat it. With today's tech-

nology and the advancement of everything going on, we have a world of opportunity to come up with a good plan to combat this.

• (1205)

**Bruce Fanjoy:** Thank you.

Ms. Potvin, as you know, offshore wind and building out a clean east-west grid are central priorities of our government.

Can you describe in more detail the role that ports can play—perhaps, Ms. Nugent, you can pipe in on this as well—as connectors to a broader energy system and commercial transportation routes?

Perhaps I'll get you to address that first.

**Catherine Potvin:** It's well known that for freight transport, rail and aquatic transport are more efficient in terms of emissions. Ports play an important role in that, but it's important to also understand that there are other concerns.

For example, Ms. Nugent mentioned Contrecoeur. There are some other impacts there on biodiversity that I think need to be taken into account.

I'm not an expert on maritime transport. I think she's much better positioned than me to answer.

**Bruce Fanjoy:** Go ahead, Ms. Nugent.

**Amy Nugent:** We would agree with Catherine on the role that ports can play to connect other modes of transportation.

I think it was Madame Potvin who talked about the transport sector having a quarter of the overall emissions across the Canadian economy. For example, when you see on the projects of national interest list not just Contrecoeur but also wind west, you can take up large energy developments—albeit in the context of other sustainability; I fully agree—and ensure that there's local offtake for them.

We often talk about, if we're going to double or triple the grid and the capacity—

**The Chair:** Thank you.

I've been generous, but this puts an end to our witnesses testimony today.

I'd like to thank all the witnesses for being present today and for allowing the study to continue. Thank you also to members.

The witnesses are now excused. The meeting will be suspended while we prepare witnesses for the next panel.

• (1205) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1210)

[*Translation*]

**The Chair:** Let us resume.

The committee is continuing its study of the effectiveness, potential improvements and capability of Canada's 2030 emissions reduction plan.

This afternoon, we are meeting with the following witnesses: Sophia Mathur, as an individual.

[*English*]

From the Oil and Gas Corporation of Newfoundland and Labrador, we have Mr. Jim Keating, chief executive officer, by video conference.

From the Resource Works Society, we have Margareta Dovgal, managing director.

[*Translation*]

Each of the witnesses will have five minutes for their opening remarks.

[*English*]

I will be putting up this sign indicating that you have one minute left in your remarks. I will turn it over when your time is up. This will also occur during the question period.

We will start with Ms. Sophia Mathur.

**Sophia Mathur (As an Individual):** Thank you so much for having me as a witness.

Thank you, Bruce Fanjoy, for inviting me.

Hello. My name is Sophia Mathur. I am 18 years old, a climate activist and a first-year university student at the University of Ottawa. Funnily enough, I have a math mid-term right after this.

When I was seven years old, I started lobbying for climate action, not in the way that adults around me did with thick briefing binders and a long list of evidence—that was their role—but in a way a child can, by sitting and listening. By showing up and by being present, it felt as though I was reminding everyone in the room that the decisions being made were shaping my future, because they were.

When you're seven, climate action isn't just policy; it's a promise, a promise that the world I grow up in will be safe, beautiful and alive. I've carried that belief with me ever since. While the devastation of climate change is real and frightening, with fires, floods and smoke-filled summers, I don't want my generation's story to be one of despair. I want it to be one of accountability and courage.

Over the years, I've met politicians and experts who have dedicated their lives to this fight. I've always admired that. It takes resilience to turn research into policy and policy into measurable change.

Now that I've started university and I'm beginning to study economics with a minor in public policy, I'm continuing to understand just how complex this world is, and I am nowhere near an expert. Efficiency, cost and timelines aren't just numbers; they represent people's lives, yet through my climate activism, I've also learned that this complexity can't be an excuse for inaction, because while climate policy takes time, climate change does not wait.

I ask myself, how long will climate policy be too hard to advertise in political campaigns? How long will this global crisis be rewritten as partisan? Do voters know that the cost of this discussion is the deadly impacts of climate change?

I brought with me today a book given to me by Citizens' Climate Lobby that summarizes the evidence from climate change experts on Canadian emissions strategies. The message from scientists and economists is consistent: Make polluters pay.

Fossil fuel companies, many of which make billions in profit each year, must bear responsibility for the pollution they create. One of the key findings is clear: Carbon capture and storage is costly, is largely inefficient as an emissions reductions tool and will continue to keep money in the pockets of these polluters.

Today, I want to offer not a critique but a reminder that young people like me, the people you represent, are watching, learning and hoping. We trust that our leaders will listen to the evidence, respect the experts and keep their promises, because for me, this isn't just about emissions targets; it's about integrity. It's about what it means to make a promise to the next generation and to keep it.

I may only be 18, and I have much to learn, but I know one thing for certain. Real leadership isn't measured by how many promises are made. It's measured by how many are kept.

Thank you.

• (1215)

**The Chair:** Thank you very much, Ms. Mathur.

Now the floor is yours for five minutes, Mr. Keating.

**Jim Keating (Chief Executive Officer, Oil and Gas Corporation of Newfoundland and Labrador):** Offshore oil and gas indeed should be central to Canada's energy future, as we cannot be an energy superpower without it. With over 85% of new discoveries by volume occurring in offshore fields worldwide, declining onshore output is being steadily replaced by global offshore growth.

Newfoundland and Labrador is indeed a global offshore player: 100% of Canada's offshore oil production is sold internationally, which means 90% of a barrel's emissions occur outside of Canada. The province reinvests oil and gas profits into renewable energy, and it does so directly. Over \$1.1 billion from Crown corporation ownership in offshore oil and gas projects has been directly invested in our provincial hydro power portfolio. It is indeed the most elegant of energy transition strategies.

To enable this, we created an exploration strategy, investing over \$160 million in geoscience and identifying hundreds of prospects, 20 of which have the potential for over a billion barrels of oil or six trillion cubic feet of natural gas each. What's at stake here is not only our known reserves of 10 billion barrels currently in production, but also an estimated 50 billion barrels of oil. For context, Hibernia's two-billion-barrel oil field has already contributed \$15 billion to the provincial treasury and another \$4 billion to the federal government.

Exploration wells cost about \$100 million to drill and have only a 25% chance of success. Despite the costs and the risk of failure, between 2015 and 2020, over 14 companies bid \$4.2 billion to explore in Canada's offshore. Seven submitted plans to drill dozens of wells. This momentum has come to a crashing halt. First it was due to the pandemic, and now it's due to the proposed emissions cap. Canada is undermining a strategic resource, leaving international investors confused and concerned.

There were no exploration wells drilled offshore for the first time in nearly 25 years, and there are no wells planned for next year. The last two licence rounds saw no bids, which is unprecedented. With a licence round closing just next week, I fear the same result.

Of the 14 exploration companies we had in 2020, only three remain. Those exiting have forfeited over \$430 million in bid securities to the offshore regulator, and that figure is growing. Companies simply believe they will be unable to develop a discovered resource.

This is not the local effect of a global trend. Global exploration is trending upwards. This year, 80 high-impact wells were drilled, an 8% increase from the previous year, and 15 discoveries were made across 12 countries.

Spending is rising and expected to grow again in 2026. Newfoundland and Labrador and Canada are missing out. The proposed emissions cap regulations are often cited by investors as the reason they've decided to explore elsewhere. The economic damage is already happening.

With our provincial trade association, Energy NL, we engaged Wood Mackenzie consultants to assess the impact of the proposed emissions regulations. Their modelling shows that to meet post-exemption targets, operators may need to defer start-ups or scale down projects, weakening project economic viability. What's most concerning is that the modelling suggests the emissions cap could force curtailment of existing offshore production. Forecasts show emissions exceeding the cap by 12% in 2030 and remaining above limits through 2035, leaving absolutely no room for new developments.

Should our Bay du Nord project eventually start up after a three-year delay, it is expected to emit less than 10 kilograms of CO<sub>2</sub> per barrel, which is half the global average. When the oil-climate index was first established in 2016, our Hibernia field ranked 12th lowest among 75 global oil and gas fields in terms of emissions. Why would we eliminate the possibility of low-emission projects that can displace higher-emitting projects elsewhere?

Our offshore projects have already implemented emissions reduction measures. The SeaRose FPSO and the Hibernia and Hebron platforms have already reduced emissions by almost 29% to 50%. The Terra Nova FPSO has undergone asset life extension upgrades that will lead to further reductions.

While the federal government aims to balance fiscal support with strong regulation, we urge abandoning the emissions cap framework. Instead, focus on practical policies and fiscal tools that enable the meaningful decarbonization of Canada's oil and gas sector.

Thank you.

● (1220)

**The Chair:** Thank you, Mr. Keating.

The floor is now yours for five minutes, Ms. Dovgal.

**Margareta Dovgal (Managing Director, Resource Works Society):** Thank you so much, Mr. Chair.

Leveraging our true potential as an energy superpower for the well-being of Canadians and maintaining the 2030 emissions reduction plan are fundamentally irreconcilable. We cannot have a growth agenda premised on our most productive sector if that sector is also saddled with targets only achievable through costly carbon credits or production decline.

A new mandate from Canadians to respond to the economic necessity of this moment forces a necessary reconsideration of this framework. The resulting policies must therefore also reflect that will and be grounded in reality.

The 2030 plan is ill-suited to our current economic imperative because it relies on unsound models with questionable assumptions that are treated as facts. These models create self-reinforcing outcomes. They rely on prescribed technologies neither proven at commercial scale nor widely available.

Let's look at the specific policies that flow from the plan.

First, let's be clear about the source of the bias. The 2030 plan itself is built on absolute emissions targets. This framework is biased against energy production and allocates all emissions liability solely to the producing jurisdiction, ignoring the consumption of those goods elsewhere.

The oil and gas emissions cap is a flawed expression of that bias. It's an attempt to create a cap-and-trade system for one industry in only four provinces, creating an illiquid market that cannot function well. Moreover, the government's model uses a 2019 baseline that assumed 5% production growth, but by the time the model was released, Statistics Canada data already showed we were 9% above that production baseline. Current Canadian production is almost 20% higher than in 2019, mostly driven by B.C.

Second, the proposed methane regulations are being sold as an easy win. The head of the IEA at COP famously said to just tighten the pipe, but that's a view that involves considerable costs to realize. These regulations, especially measured against the national inventory, are designed to be punitive. They overly impact the natural gas space, which they are designed to do, and that's precisely why Canada's golden opportunity for natural gas production and LNG exports is imperilled by this. This is an industry that we're just starting to build.

Third, the clean fuel standard is a policy intended to reduce the carbon intensity of liquid fuels by blending, by using other reduction options in supply chain and production and by buying credits. In practice, this forces Canada to import biofuels from the U.S., undermining our own energy security for a policy that is little more than a hidden and unnecessary tax.

Fourth, the EV mandate is the definition of a government forcing a technology. A market-based tool like corporate average fuel economy, or CAFE, standards, by contrast, allows for a variety of options to meet a goal. This mandate simply forces an expensive product that most Canadians cannot afford.

Fifth, the clean electricity standard is a clear case of federal overreach into provincial jurisdiction. The models supporting it assume an impossible build-out and an operating environment that does not exist and is unlikely to develop. It also ignores the physics of provincial grids, many of which may not be able to handle a much higher level of intermittent power without risking cascading outages, as we've seen happen in Germany and Spain.

Sixth, the output-based pricing system, or OBPS, is another flawed hybrid, sitting between a tax and a cap-and-trade system. Its performance-based measures are tied to the decline in the sector they are targeting. It is a system designed not to foster innovation but to manage our most productive industries into non-existence.

Finally, this all comes back to carbon credits. They become a convenient illusion of progress rather than a genuine solution. While marketed as a way to offset emissions, most credits fail basic integrity tests. All of Canada's modelling assumes the ability to buy international credits to meet emissions reduction goals. This market, such as under IETA, lacks a double-entry bookkeeping requirement. There is no system to prevent double counting or to prove a single emission was ever reduced.

These self-imposed hits to our competitiveness are absurd precisely because we are already leaders. There's nothing lax about our regulatory system; we've been regulating for decades. Our natural gas sector is a perfect example. According to CAPP, since 2000, emissions from the natural gas sector have fallen by 20% while production has grown by 15%.

On top of this, there's red tape. Our regulatory system is so broken that this government has brought in fast-tracking legislation that deploys political will to sidestep the mess it is ultimately responsible for—a mess that creates significant competitiveness challenges on top of all the policies I have described.

This brings us back to the core problem with the 2030 plan. Where emissions reductions cannot be achieved because the technologies don't exist or aren't economically viable, this framework passes along to industry the cost of carbon credits, a backstop measure that leads to nominal outcomes at best. Where that's still not enough, Canadians are saddled with only one actual outcome: deindustrialization as industry cuts investments and, in turn, production.

• (1225)

That's the real cost. The plan systematically undermines our competitive advantage as an incredibly resource- and energy-rich nation, capable of responsibly serving the world's needs.

**The Chair:** Thank you, Ms. Dovgal.

Ms. Anstey, the floor is yours for six minutes.

**Carol Anstey (Long Range Mountains, CPC):** Thank you.

Thank you, Mr. Keating, for being with us today and for the work you do in this very important sector for Newfoundland and Labrador.

Mr. Keating, there's so much to unpack in your opening statement, but one of the conversations we've been consistently having in this committee is with respect to the emissions cap and whether or not it's a reduction cap. I'd like to give you an opportunity to expand on that issue as it relates to our important offshore sector.

**Jim Keating:** Yes, thank you.

We are probably dominated by the western Canadian view of it as a production cap, and I agree that it is essentially a production cap, but from my perspective, I see it as something more severe: It's an investment cap.

We rely upon investors who can freely go anywhere else in the world. We compete with 40 other jurisdictions for exploration dollars, and what's happened in our offshore after a significant amount of investment on behalf of the province is quite shocking.

The provincial government has put up \$19 million to incentivize explorers to come here. The explorers are simply unable to see a pathway to development. This is really troubling, because we have one government at odds with another government about trying to achieve a common objective.

I see it as an investment limiter. It's fully blocked any new growth opportunities, and I don't foresee any resurgence in investment in our offshore until the emissions cap is replaced and we have the signals that the Bay du Nord project is moving forward.

**Carol Anstey:** I think that's very important, given the situation in the country right now.

Further to that, we hear a lot of talk about this government wanting us to be an energy superpower. With this emissions cap in place, do you think we can actually be an energy superpower?

• (1230)

**Jim Keating:** There's not a chance, really.

I've been to several summits and conferences around the world. While I used to be warmly greeted by people wanting to know about where our next prospects were and about our next resource assessments and licensing rounds, the conversation has turned to asking about when that thing is going to disappear, because we're the only country that, at least in my circles, has any such cap.

I don't think it's at all possible.

When you look at where all the investment dollars are going to meet the world's global energy needs, where else are you going to find the four million to five million barrels a year we need unless it's in the offshore? We have one of the biggest coastlines in the world and one of the best energy endowments; we just have no access to them.

**Carol Anstey:** Based on that, can you also explain for the benefit of our committee the importance of this resource in relation to its access to tidewater, especially as we talk about diversifying trade?

**Jim Keating:** With access to tidewater, as I mentioned in my opening remarks, we have a 100% export rate to international markets, primarily Europe. In fact, we sell at Brent pricing and not WTI, so while western Canadian crude is sort of captive and sells at a discount to market price, we are actually in the open market.

We have what the world is looking for: advantaged barrels. We have access and security of supply. We have low emissions on the scope 1 and scope 2 emissions, and we have cost-competitive production because we can produce at \$35 per barrel or less in terms of full life-cycle costs. Those are the three major ingredients.

Unfortunately, with this cap, it's proving hard even to move any discussions around growth forward.

**Carol Anstey:** As something else that I think is important, in your opening statement you talked about how your main focus has been exploration. Can you speak to how that might contribute to reducing global emissions?

**Jim Keating:** Exploration doesn't increase emissions. It might be counterintuitive. It basically meets demand.

When you look at the fact that 90% to 95% of emissions are post-offshore extraction, it begs the question of why we wouldn't do more of it. Studies have shown, if we look at our frontier and the scale of the types of developments you see around the world in Suriname, Guyana, Mozambique and Namibia, that when these fields come on, they displace 30 to 40 kilograms per barrel a day emissions-wise with 10 to 15.... Without exploration, we're just going to allow those legacy fields, which are a higher cost to maintain and are more problematic for reducing emissions, to proliferate. Actually, it has happened in other jurisdictions that quite frankly are not so concerned.

From my perspective, for us to target our upstream, our productive area, instead of the consumption area is counterintuitive, and it's not really good policy.

**Carol Anstey:** Thank you for the work you do.

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

For six minutes, we have Ms. Miedema.

**Shannon Miedema (Halifax, Lib.):** Thank you so much.

Thank you to all of the witnesses. I'm sorry I can't be there in person.

What a stark contrast of testimony we've heard in this hour, going from young Ms. Mathur to adults who are gainfully employed in a particular sector.

The study we are working on right now is about our ability to achieve our 2030 reductions and, if we're not achieving them, how to do this better. These conversations seem to be counterintuitive.

I'd like to give some room for Ms. Mathur to share some reflections based on what she's heard. I commend her for her testimony, her bravery and all the great work she's doing.

Ms. Mathur, it's over to you.

**Sophia Mathur:** Thank you so much for that. I really appreciate it.

As I said, I think conversations about these policies are important, yet it feels like the trade-off of these conversations is the action we are not taking. I've been going to these meetings since I was seven, and it almost feels like they've had the exact same message of protecting certain industries, but we can't do that at this point. Climate change is going to impact my future. Prices are going to get higher regardless of what policy we have or if we have climate change and cannot fix these issues.

Obviously, I'm not coming here as an expert or someone who can give you a quantitative analysis of everything that's going on, but I wanted to be present as a youth so that the discussions you're having are happening in front of the exact future generation that is going to feel the impact of the time spent on these conversations.

Thank you for the question.

• (1235)

**Shannon Miedema:** Thank you very much for that.

The role of government is to serve the public. We are public servants. We work towards what we believe is in the best interests of everyone, not just a particular few.

In listening to testimony, I was thinking about the tragedy of the commons. That's exactly what happens when we don't focus on the big picture. We're talking about potential economic losses and opportunity in a particular sector, but we're not talking about all the loss we're experiencing in Canada and around the world from the effects of rapidly accelerating climate change, with wildfires, hurricanes, etc. There are huge economic losses. The conversation that it's economy over the environment, or vice versa, is absolutely false. They go hand in hand, because there is no economy without an environment.

Ms. Mathur, I understand that you attended COP27 in Sharm El-Sheikh, Egypt, as did I. I wondered if you wanted to share your experiences and reflections there, and maybe reflect on why you think it's important for Canada to keep going and accelerate action.

**Sophia Mathur:** It was an amazing experience to go to Egypt. One memory was going to the Canadian pavilion and checking out all the speakers. I noticed that one presentation at the Canadian pavilion was given by the oil industry, so I decided to attend. For some reason, they did not allow a question period. A bunch of us activists and Canadians came to this pavilion to ask questions, but instead we were dismissed.

Obviously, I think that a lot of action gets done at COP, but it does feel like you're a bit unheard going there as an activist and not someone with money and an economy to bring to the table.

**Shannon Miedema:** I'd like to assure you that your voice is well heard by the federal government. In its platform, the Liberal Party had funds for a youth climate corps. I'm not sure if you're aware of that initiative, but we're looking to establish a federal program to get young people involved in the green transition.

Can you explain why young people would benefit from such a program?

**Sophia Mathur:** I think that's very important. While speaking to many youth involved in climate activism or concerned about climate change, I think they feel there is a bit of a disconnect between

them and politicians. When I talk about lobbying when I was seven, they're like, "Do you speak to politicians? What?" I think we forget that politicians exist as our representatives and are here to serve us, so we need to remind youth that they're able to engage in politics, talk to politicians and give advice. That's really important, and that exists.

**Shannon Miedema:** Thank you.

I have a question for Mr. Keating.

You spoke a bit about the investments your company has made in renewable energy. I'm wondering if you can expand on that and if you think it is maybe a first step in the inevitable green transition we'll have to go through as a globe. How can your company position itself to still be successful in that space?

• (1240)

**Jim Keating:** We were created in the image of an analogous jurisdiction like Norway. State ownership is a big deal in Norway. It's how Norwegians balance their hydrocarbon and renewable endowments. They're progressive in their policies toward climate, and the well-being of society is something to admire. They punch beyond their weight.

Newfoundland and Labrador is one-tenth the size of Norway in almost every way. I pride myself as a professional on having the benefit of working abroad. I worked with a Norwegian company for 10 years, and I try to bring that sort of philosophy here. We're—

**The Chair:** I'm sorry. Thank you.

[*Translation*]

Mr. Bonin, you have the floor for six minutes.

**Patrick Bonin:** Thank you, Mr. Chair.

Mr. Keating, I understand of course that you are opposed to the greenhouse emissions cap for the oil and gas sector. You did say however that you support practical policies that provide for the decarbonization of Canada's oil and gas sector. Can you tell me which practical policies you support that would provide for the decarbonization of the oil and gas sector?

[*English*]

**Jim Keating:** First and foremost, most oil and gas companies operating around the world do believe in carbon pricing, as long as it's done in a fair and even way and we don't disproportionately dis-affect ourselves in the search for capital. I think that sends the appropriate price signal from the ground up. That's number one.

Number two, I think it's inside the regulations themselves. We have a world-class set of regulators here who know these facilities and these fields at the asset level. They can stand and look at the framework of regulation that's been in place for effectively 30 years and is constantly evolving, even with the complexity that's required, and look at offshore fields and make sure we get the best of them. We look at their uptime. We look at their power demands, because the electricity on a platform is maybe 60% to 70% of the carbon emissions. We look to do things more efficiently. We look to modernize. These are constant and incremental things that are already in place and are already consistent with not just global best practice but Canadian best practice.

I think carbon pricing as a whole is something the industry is generally in support of, but maybe it's about the specific actions of the regulator and the give-and-take of how we execute these projects on a technical level. They have revealed, as I mentioned, a 50% reduction in emissions in the span of seven or eight years for our offshore fields.

[Translation]

**Patrick Bonin:** What do you think the minimum carbon price should be?

[English]

**Jim Keating:** Right now the perception of that will vary. I'm going to be careful not to overstep. I am a Government of Newfoundland and Labrador employee, and they're formulating their own provincial views on this, but I think the \$75 to \$100 pricing window seems to be a competitive place for us to be in at this time.

**Patrick Bonin:** Is that per tonne of CO<sub>2</sub>?

**Jim Keating:** Yes, that's correct.

[Translation]

**Patrick Bonin:** Can you tell us how many barrels of oil Newfoundland and Labrador produces every day, on average?

[English]

**Jim Keating:** Currently, we're 50% off our peak of 400,000 barrels in 2008. We're at about 200,000 barrels per day, but we will increase to perhaps 300,000 barrels per day towards the end of next year with the advancement of the White Rose platform, which has just been installed.

[Translation]

**Patrick Bonin:** On average, what percentage of that production has been exported outside of Canada in the past five years?

[English]

**Jim Keating:** It's 100%.

[Translation]

**Patrick Bonin:** So Newfoundland and Labrador exports all of the oil that it produces. Is that correct?

[English]

**Jim Keating:** That's correct.

[Translation]

**Patrick Bonin:** Is there some reason why that oil was not sent to Canadian refineries instead of being exported?

[English]

**Jim Keating:** Newfoundland and Labrador did have a refinery where some portion of crude was delivered. It ceased. That operation was converted to biofuels maybe five to seven years ago. The other refinery in Canada—in Saint John, New Brunswick—did receive volumes of crude seven to 10 years ago, but since then, of course, crude has gone for the highest price. Right now, European refineries are paying a premium, in most cases, for our offshore crude. If the Brent price is \$65, there are refineries in Europe looking for our crude because of our crude quality and other aspects and attributes. We may get a dollar or two more per barrel, so that's where those barrels are going.

The Saint John refinery is looking at different domestic markets to North America, which are selling at Brent and probably a different quality.

• (1245)

[Translation]

**Patrick Bonin:** Apart from the price, there is no reason for not sending that oil to Canadian refineries. Is that correct?

Please answer yes or no.

[English]

**Jim Keating:** If there was a refinery that would take.... It's the other side. The buyer has just the same imperative as the seller. Right now, the buyers are not looking for our offshore oil.

[Translation]

**Patrick Bonin:** Thank you.

Ms. Dovgal, does Resource Works Society receive money from oil and gas companies?

[English]

**Margareta Dovgal:** I'm employed by a non-profit that operates in advancement of the public interest. The non-profit fundraises from a variety of sources. We take money from companies. We take money from ticket sales for our conference on indigenous economic development—

[Translation]

**Patrick Bonin:** My question is whether you receive money from oil and gas companies, yes or no?

[English]

**Margareta Dovgal:** Personally, no.

[Translation]

**Patrick Bonin:** I mean your organization, Resource Works Society.

[English]

**Margareta Dovgal:** It has, yes.

[Translation]

**Patrick Bonin:** How much money do you receive every year from oil and gas companies?

[English]

**Margareta Dovgal:** That's not a question I can answer. I don't actually know the answer to that specific question.

[Translation]

**Patrick Bonin:** Can you please tell us your organization's annual revenues, including from oil and gas companies?

[English]

**Margareta Dovgal:** Unfortunately, that's a proprietary thing. I don't believe I'm obligated to answer that. We fundraise from a variety of source and do a conference every year, so our revenues are variable, but we are a non-profit registered in British Columbia.

[Translation]

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

[English]

For five minutes, Mr. Leslie, the floor is yours.

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

I would like to thank all our witnesses, particularly our young witness, Ms. Mathur. Thank you for being involved at a young age. As a young MP, I think that's important, and there are actually many more young people getting involved in politics for a variety of different reasons right now.

**Ellis Ross:** Yes, that's me. He's talking about me.

**Voices:** Oh, oh!

**Branden Leslie:** Can I get the time back for whatever that was?

**The Chair:** Some people got excited when you mentioned that you were young.

**Branden Leslie:** I appreciate the excitement. Thank you, Mr. Chair.

I'd like to direct my questions to you, Ms. Dovgal.

We'll start with youth employment. I think it's vital that this country finally, once again, sees a boom. We have a productivity crisis. The outcome of that for young people.... I don't know your age, but you're young enough to answer this question. We saw 17.5% of young people go back to school this fall after not getting a summer job. The productivity crisis is caused by the impending production cap, and I appreciate my colleague from Newfoundland highlighting it as an investment cap.

Could you talk a little about the ideology of governments not being connected to the reality of what people are facing on the ground?

**Margareta Dovgal:** Yes. I can put that in other words as well. Economic realism is in the interests of Canadians; economic fantasy is not.

I'm 29 years old, to your point. When I was going to university, I had far better opportunities to pursue politics, get into exciting areas of research and become a real policy wonk in the field that I'm

in right now because I was driven by the understanding that the climate is changing and that's a thing we need to deal with. However, I learned a lot about economics. I learned about the energy realism needed in this conversation.

To your point about productivity, Canada has an essential challenge before it right now. Do we want to be the ones to kneecap our industry in an uncertain time globally, or do we want to be the ones to ensure we have the money to invest in adaptation and create opportunities for Canadians, whether public or private? The current framework we're looking at is not going to achieve those things. It's going to make us poorer and less equipped to handle and deliver benefits for Canadians.

**Branden Leslie:** You mentioned in your opening remarks, which is connected to realism, some of the modelling that's been used. The Navius model has been very disconnected from reality in terms of emissions reductions. Could you speak a to the danger of us using computer modelling that has never been associated with reality and making government policy on the fly based on it?

**Margareta Dovgal:** Modelling itself is not completely invalid. We use models in a variety of ways. It's about the assumptions you put into those models. If your assumptions are about things the market has not seen, like technologies that have not yet been deployed at scale where the underlining economics have not been realized and proven out, you'll potentially face a huge gap between what your model is predicting and what the reality on the ground is going to be.

This has been carried through in a variety of policies we've seen at the federal level. It has had the result of untethering us from what's actually happening globally. Many countries, like Canada, that are pledging to be first movers on climate action, are instead having a very stark and sobering realization that the decisions based on these unreliable models.... Not all of them are unreliable, but the ones that are—and I believe the ones we're looking at in this case are—are not going to deliver results, neither on emissions reductions nor on economic clarity, certainty and a climate that allows us to get the economic benefits we want from our economy and productive industries.

• (1250)

**Branden Leslie:** Do you think the government has done any calculations as to the actual cost? You mentioned EVs as one of the examples. We can look at the electricity requirements if we were to have the complete usage of EVs, as well as the upgrades necessary for our utility companies and the sheer costs. One of our witnesses pegged it at, I believe, \$249 billion—astronomical amounts of money.

Could you make a comment on the connection between some of the modelling and the policy outcomes we've seen? Do you think the government has done any of the actual math on this? Have they communicated at all to Canadians what the cost is going to be for each and every one of us?

**Margareta Dovgal:** Just at a high level, there is a tendency to conflate climate action with something that has to happen and there's no cost, but if climate change didn't require considerable investment and considerable economic sacrifice, we wouldn't be facing a problem.

In B.C., for example, the provincial government has started to seriously look at a lot of their electrification commitments, because they realize they're running out of power. Even British Columbia can't produce what it needs.

I think that's the underlying collision, again, between the realities and the modelled assumptions that get baked into climate policies.

**Branden Leslie:** I've heard some staggering numbers in terms of the B.C. example of the Site C dam and the number of dams we would need in this country to create the amount of electricity we'd need. Is Bill C-5 an attempt to work around that? Do you think it will actually work in creating enough Site C dams to electrify our economy?

**Margareta Dovgal:** There's a lot going on in British Columbia regarding indigenous communities, relationships with them and title issues. Those are other issues facing anyone who wants to build major infrastructure.

The provincial government in B.C., just like the federal government, has recognized that there's a political problem, so I don't think we're going to see results, because these are political solutions to problems that need to be resolved by structural reform and—

**The Chair:** Thank you, Ms. Dovgal.

Thank you, Mr. Leslie.

The floor now goes Mr. Fanjoy for five minutes.

**Bruce Fanjoy:** Thank you, Chair.

Ms. Mathur, I want to acknowledge your courage, not just today but in all of your actions as a young person. It's not lost on me that you may well be the youngest person ever to attend this committee as a witness, so welcome.

Conservatives in Parliament routinely oppose market-based solutions to addressing this challenge and non-market-based solutions. Their solution always seems to be another barrel of oil, and I don't think that's a practical solution at all.

What's your message to them as someone who will live with the consequences of not addressing this moment in history?

**Sophia Mathur:** I think it's evident that climate policy has costs, but so does climate change, and just because I cannot give you the exact amount of money that climate change will cost, that doesn't mean it will not get worse.

I am disappointed as a youth. Honestly, I understand that these conversations are important in government, but it does feel like sometimes we are prioritizing money over the lives of youth. We're

not acknowledging our future generations and the impact that climate change will have on them, just the impact it will have on future investments.

Thank you for acknowledging that and letting me come here, even though I don't have a major agenda with me.

● (1255)

**Bruce Fanjoy:** Thank you.

Mr. Keating, do you acknowledge that the world is shifting and transitioning towards an energy future that is powered by electricity and, increasingly, renewable forms of electricity?

**Jim Keating:** Yes, I do.

**Bruce Fanjoy:** You're from Newfoundland, which is a province dear to me. I grew up in Atlantic Canada and I understand the beautiful nature of the Rock. How important is that transition, and how do you see it playing out? Oil is an offshore resource, and I understand that it's important right now. How do we make the shift towards more renewable electricity in Newfoundland, for its benefit and of course the benefit of other provinces?

**Jim Keating:** The province has been endowed with a tremendous hydroelectric resource. We're exporting five to almost six times the amount of clean hydroelectricity we consume. We are in discussions at an MOU stage with our friends in Quebec to add more to that. If we were an energy superpower, on a per capita basis we would be the fifth- or sixth-greatest energy producer, when you combine the hydroelectric endowment and the oil and gas endowment. That's if we were our own country. I have been keenly aware of that ever since I studied this back in 2005, 2006 and 2007 with our energy plan.

I think, though, the transition is to make sure that while this complex energy system goes through machinations and conversions.... Right now, we see a phase where all new energy coming to the fore, mostly renewable, is being taken up by new demand. It's a sticky hydrocarbon percentage, but inevitably it will decline. I just want to make sure that Canada's oil and gas—and particularly Newfoundland and Labrador's oil and gas—meets that need, because I believe it's going to be produced in the best way possible, by the most ingenious and capable people and with the best attention to safety and the environment. It's a mission, and that's going to happen over a generation or three.

I have a daughter who's 18. She's doing engineering, and she sees this complexity. That's her choice. She's also going to join the oil and gas business.

**Bruce Fanjoy:** I think the transition is happening faster than you may anticipate. If Canada is a laggard in this transition towards clean and renewable energy—

**The Chair:** I'm sorry, but the time is up.

[*Translation*]

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

**Patrick Bonin:** Thank you, Mr. Chair.

Ms. Mathur, what are your thoughts on the fact that, since it was elected, the federal government is backtracking and dropping various climate-related measures and is refusing to live up to its greenhouse reduction target for 2030?

[*English*]

**Sophia Mathur:** A major issue arising with social media is misinformation in regard to climate policies. I think it's even harder now to have conversations with students in my class about issues like carbon pricing because they have received information through social media and they don't know what to talk about. It almost feels like now it's harder for certain climate policies to even be discussed. Obviously, as a youth, I think any halting of action on climate change is disappointing, but it's upsetting to see that a lot of it is solely because of misinformation given to the public in regard to climate policies and even in regard to climate change and its existence.

[*Translation*]

**Patrick Bonin:** How do you feel about appearing before a committee to speak about greenhouse gas reduction when there is a witness across from you who receives money from oil companies, as well as an oil company representative? They are not the only witnesses from the oil and gas sector or funded by it who have appeared before the committee. There have been many others. They have been invited by my Conservative colleagues, among others. What are your thoughts on that?

• (1300)

[*English*]

**Sophia Mathur:** On the topic of misinformation, it is obvious that misinformation regarding climate policies benefits a certain sector. It is upsetting to hear these voices everywhere I go when I give speeches—everywhere in government—and to see the big grip they have on climate policies and on investment in our country, when I as a youth don't have that to offer you. All I have is my experience and my fear for my future.

[*Translation*]

**Patrick Bonin:** At the next opportunity, I would invite you to tell my Conservative colleagues what you think about the fact that they almost exclusively invite oil and gas company representatives when we are talking about the climate crisis.

**The Chair:** Thank you, Mr. Bonin.

[*English*]

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

**David Bexte (Bow River, CPC):** Thank you very much, Chair, and thank you, witnesses, for appearing here today. We really appreciate your insight.

Ms. Dovgal, in light of everything we know and the many things said in testimony today, we see some tension between prescriptive regulations and objective regulations and between modelling and the impact of modelling and how that all evolves. Something I was told by a NASA-involved scientist a while ago was that all models are wrong but some are useful. How do we select which ones are?

Could you comment on how government picking winners and losers and influencing things in a prescriptive way influences choices, like the Liberals maybe developing an affinity for the Keystone pipeline? How can we avoid massive waste in government from picking winners and losers by objective regulations?

**Margareta Dovgal:** I really appreciate the way you framed it because both of the questions within that—around the merits of models and what you do with those models—tie into each other.

I alluded to this earlier. Essentially, you want your models and your policy frameworks to reflect system dynamics in the real world as much as possible. The more untethered they are from what's actually happening in the real world, the farther you will fall away from the outcomes you want across the board.

If the outcomes in question are emissions reductions and you're only focused on emissions reductions and are assuming there will be technologies deployed that aren't actually ready for market deployment at scale, your alternative is decarbonization through deindustrialization. The cost of that is massive.

You are right that picking winners and losers is not a way to do this, because it neglects the way the markets work and how responsible governments can be part of creating solutions that are in line with market economics.

**David Bexte:** I have a really short question.

We've talked a lot about the energy transition. I think we as a society are maybe not quite getting the full picture of what the world is going to need in the future. You alluded to it with some comments about energy poverty.

For the world to evolve to where we expect it to be, we are going to need everything. We're not against renewables and more, but we need it all. We need nuclear. We need oil and gas. We need solar. We need wind. We need everything.

Could you speak to that, please?

**Margareta Dovgal:** What we are seeing right now is not an energy transition. We are seeing an energy addition, because what the world is doing is adding energy.

Renewables and hydroelectric are part of the solutions, and the numbers are kind of consistent. In British Columbia and Canada, about 17% of our total energy use comes from renewables. This number, I believe, is identical to the one internationally. If you're trying to change the whole system, it's like the composition of, let's say, a swimming pool. If you're just putting little cups of water into it, you're not going to see the results that are being described and are baked into the earlier assumptions.

The costs are not just numbers on a spreadsheet; they are things people feel and experience, and they are experienced differently. At the household level, demand for energy is inelastic, so people get hit harder and harder. At our economy's industrial level, we see a hit that affects productivity, as your colleague mentioned earlier.

**David Bexte:** Briefly, can you please supply the committee with any reports or essays you have that describe this? Thank you very much.

I cede the balance of my time to Ms. Anstey.

**Carol Anstey:** Thank you.

Mr. Keating, I just wanted a couple of final comments, because this is really important. I always think it's important, when we're having these conversations, to bring them right back to what Canadians and the people of Newfoundland and Labrador feel on the ground.

We have an out-migration issue in our province. A lot of our talented young people end up going away to other provinces in search of good-paying jobs. Can you speak to this with respect to average salaries, for example? If the emissions cap goes forward and this sector is stifled, what will that mean for the next generation of young people?

• (1305)

**Jim Keating:** Indeed, Newfoundland and Labrador in recent years has had the largest and most significant growth, I think, in household incomes, largely driven on the back of the oil and gas business. That's for the workers we send westward and of course the workers and employees, the 25,000 folks, directly and indirectly in the economy here. In recent times, we've seen that companies are starting to move out, as I mentioned. We had several companies close shop here and move because they were focused on exploration and growth. We even see Exxon Mobil, which rarely has broad layoffs, effect their global downsizing disproportionately in Canada. We weren't immune from it here either.

**The Chair:** Thank you.

Monsieur St-Pierre, you have the last five minutes.

**Eric St-Pierre:** Ms. Mathur, thank you for being here today and for being accompanied by your family. It takes a lot of courage to be here.

As you've heard, some folks, generally speaking, don't necessarily believe in facts or don't believe in climate models and would rather do nothing on climate. I'm a father of two young daughters. My daughter Anouk is six and my daughter Audrey is 10. They already have climate anxiety. They're talking about forest fires. They're talking about the smoke that was coming through over the

summer. I would actually argue that it's probably taxing their future.

Do you have any advice for my daughters about the future?

**Sophia Mathur:** That's really sad to hear. Climate anxiety is a real issue among youth. When I started my activism, I realized that it existed a lot more often in youth than I realized.

I will try my best to do what I can to protect their future. I think my advice to them is to honour the people who do that for you. I will try my best, and I hope every politician here today will also try their best, to keep that promise to them.

As for advice on climate anxiety, I've always found that my activism, my conversations with politicians and experts and my attending things like this are ways to learn more and to feel as if there are conversations happening and things being done.

**Eric St-Pierre:** That's great.

I have a quick follow-up. You're involved in litigation with the Ontario government. Can you speak to whether you feel the Ontario government is doing enough to meet its 2030 targets?

**Sophia Mathur:** I don't know how much I can say about this litigation, but I'm part of a lawsuit against the Ontario government for their inaction on climate change, and they are not currently meeting their targets. This case is ongoing. I've been in it since I was 12. It's a long process, but I do believe it's worth the fight.

**Eric St-Pierre:** Ms. Dovgal, Mr. Keating was testifying earlier that he supports an industrial carbon price or a carbon price. Do you support, or does your organization support, an industrial carbon price?

**Margareta Dovgal:** That's a great question. I think carbon pricing as a general principle.... This is speaking for myself. We don't have a defined view because we're a platform. We're a think tank. We're an organization that has a lot of different perspectives that we're trying to bring into the public conversation.

Speaking for myself, as someone who's been in this space for about a decade now from when I was a student, we know that carbon pricing can work, but it has to be balanced with trade-offs. If you're only targeting the industrial side of it because politically you've found that consumers are not happy, which is what the Liberal government found in the last election and precipitated some changes before that election, and you're throwing all of the emissions reductions only onto industry, then you're chipping away at the underlying economic base that allows us to have the money in our economy to pay all our bills.

That needs to be balanced carefully. There are lots of tools to employ, but they have to be implemented in a cohesive way. There needs to be a clear alignment between your economic objectives and your climate and environmental policy objectives.

**Eric St-Pierre:** Thank you.

Mr. Keating, I have about a minute left.

The OilCo strategic plan from 2023 to 2025 says, “OilCo, along with government and industry stakeholders and partners, is actively taking steps towards achieving Canada’s and Newfoundland and Labrador’s commitment to...net zero”. First, can you provide a copy of that report to this committee?

On page 13, it says, “OilCo is helping to lead the oil and gas industry and the province in achieving net zero...in the offshore sector.” Can you provide some precise examples or solutions that OilCo is using to get to net zero?

I’ll also reference a goal to get to achievements in clean energy by December 31, 2025. Can you provide solutions that OilCo has worked on in the last two years?

• (1310)

**Jim Keating:** Yes, I can. I can supply those documents.

Specifically, and by way of an example—because there are many and we don’t have much time—we supported the inventory of CCUS opportunities through our geoscience work. We had independent consultants look at how we can inject not only provincial but also national and international sources of carbon into our reservoirs.

We’ve undertaken studies to look at the electrification of the offshore, even with hydro power or offshore wind. We’ve looked at artificial intelligence to see how it can make things more efficient, more cost-effective and, by extension, lower-emitting.

The list goes on in terms of the things we support through our research bodies and through our participation in joint venture studies.

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

I’d like to thank all the witnesses for their testimony today. It’s been a real pleasure.

I would also like to thank members for a great session.

I’m happy to hear that Mr. Leslie is young again, or still young.

**Voices:** Oh, oh!

**The Chair:** I hope members opposite can consult with Mr. Leslie on what he is doing.

Witnesses, you are all excused.

[*Translation*]

The committee is scheduled to meet next on November 3. We will be starting a new study on electric vehicles and hearing testimony from senior officials for one hour. The committee will then meet in camera for the second hour.

Have a great weekend and Happy Halloween. Enjoy.

[*English*]

Many thanks to all members.

The meeting is adjourned.

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