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# Standing Committee on Environment and Sustainable Development

EVIDENCE

**NUMBER 009**

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Chair: Angelo Iacono





# Standing Committee on Environment and Sustainable Development

Thursday, October 23, 2025

• (1105)

[*Translation*]

**The Chair (Angelo Iacono (Alfred-Pellan, Lib.)):** Good morning, colleagues.

[*English*]

Today is meeting number nine of the Standing Committee on Environment and Sustainable Development.

This meeting is taking place in a hybrid format and is in public. We have witness testimony for the full two hours.

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

From Clean Energy Canada, we have Rachel Doran, executive director.

It's a pleasure to have you here.

From the Montreal Economic Institute, we have Monsieur Renaud Brossard, vice-president, communications, and Monsieur Gabriel Giguère, senior policy analyst.

[*Translation*]

I'd like to welcome you.

Each witness has five minutes for their opening remarks. However, the clerk informed me that the representatives of the Montreal Economic Institute were going to share their speaking time. Is that correct?

**Renaud Brossard (Vice-President, Communications, Montreal Economic Institute):** Actually, I will be delivering the opening remarks alone.

**The Chair:** That's perfect.

[*English*]

**Branden Leslie (Portage—Lisgar, CPC):** Mr. Chair, I have a quick question.

Regarding the minister's appearance on her mandate and priorities, the motion was made 35 days ago. I'm just curious to know

whether we have any update, and whether she has an hour available any time soon.

**The Chair:** We will be advised by October 24 with respect to her availability. At that point, I will come back.

**Branden Leslie:** Thank you.

**The Chair:** Thank you.

[*Translation*]

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

[*English*]

**Rachel Doran (Executive Director, Clean Energy Canada):** Good morning, members of the committee.

[*Translation*]

**The Chair:** I'm sorry. I forgot to ask you something.

[*English*]

Can you stop?

Do you prefer English or French, Mrs. Doran?

**Rachel Doran:** I'll deliver my remarks in English and am happy to take questions in French.

**The Chair:** Okay. When your time is close to the end, you will see this card coming up, which will let you know that there is one minute left. Once that is done, the other side will come up.

[*Translation*]

I'll do the same for you, Mr. Brossard.

[*English*]

For my dear colleagues, I'd like you to also pay attention to my one minute, so that you can adjust by asking a short question to get a short reply. Sometimes I see that your question is close to three-fourths of the minute, alas, and unfortunately I have to cut off the witness in her response. I'm leaving it up to you to judge that last minute in order to be able to get one or two short answers.

Thank you very much for your collaboration.

**Carol Anstey (Long Range Mountains, CPC):** You're asking politicians to be short-winded.

**Voices:** Oh, oh!

**The Chair:** Well, we learn. I did. After 10 years, I've learned.

**Bruce Fanjoy (Carleton, Lib.):** Short wind is a renewable resource, though.

[Translation]

**The Chair:** I'm quite pleased to see that the committee is very harmonious this morning.

[English]

It's over to you, Mrs. Doran, for your five minutes with respect to introductory remarks.

**Rachel Doran:** Thank you, members of the committee. Good morning.

Clean Energy Canada is a national think tank based out of Simon Fraser University that is focused on accelerating the country's clean energy transition.

When Canada launched its 2020 climate plan, it joined a global wave of action marked by strong international co-operation, low interest rates, top-down policy and a singular focus on cutting greenhouse gas emissions.

That work has yielded progress. Policies already in place across all levels of government are projected to cut emissions to 24% below 2005 levels by 2030. However, like much of the rest of the world, Canada now stands at an inflection point. On one hand, we cannot turn away from climate action. It is no longer just a moral imperative but also an economic one. Two-thirds of global energy investment this year will go to clean technologies. All of Canada's 10 largest non-U.S. trade partners have net-zero commitments and carbon pricing, and roughly half are introducing carbon border adjustment mechanisms and domestic EV requirements. On the other hand, this new era does demand a renewed approach, one that emphasizes how emissions reductions can also reduce household costs and ensure Canada's competitiveness, but this needs to be a re-grouping, not a retreat, refocusing on action now over ambition later.

A new approach should follow these principles.

First, in Canada, our motto needs to be "electrify, baby, electrify". The transition is already under way. One in four cars sold globally this year will be electric. Renewables like solar, wind and hydro power now provide over one-third of global electricity, overtaking coal, and they are expected to meet 95% of demand growth between now and 2027. Investment in clean tech is 50% higher than total spending on oil, gas and coal globally. This is all happening because electricity is about three times more efficient than fossil fuels and continues to get cheaper with scale, making electrification increasingly driven by economics.

Canada has what it takes to lead in this new environment: a stable investment climate, clean power, abundant natural resources, innovation capacity and a skilled workforce. A 2021 projection of Canada's clean energy sector suggested that it would reach \$107 billion in GDP by 2030, with \$58 billion in investment and 600,000 jobs.

Clean energy investments also deliver more bang for the buck. Every dollar invested in clean buildings has been found to create 2.8 times more jobs than fossil fuels, with solar creating 1.5 times more.

Over the next five years, we need to focus on the technologies that are already ready for prime time, and we need to scale them while helping strategic industries pivot to remain competitive in this global shift. This will require the right policy support: new supports for consumers, including grants and loans to help them adopt electrotech like EVs and heat pumps, and updated building codes to make sure that we're building for that electrified future now. The federal government can also help support modernizing and expanding electricity grids by finalizing the clean electricity investment tax credit, leveraging the Canada Infrastructure Bank and treating a united Canada grid as a modern nation-building project.

Second, we need to prioritize a short list of high-impact, cost-effective existing policies that can do the heavy lifting. Canada has spent the past decade building a robust regulatory framework. We have to build on it, not dismantle it, but we can focus on the policies that do the most for emissions reductions as well as for competitiveness and cost savings for Canadians. This will mean strengthening industrial carbon pricing, which is the most cost-effective tool that we have and supports clean investment in projects like Agnico Eagle Mines in northern Ontario. Finalizing methane regulations can offer a quick, low-cost way to cut one of the most harmful near-term greenhouse gases. Maintaining the electric vehicle availability standard, even with slightly lowered long-term targets, can reduce emissions in one of the highest-polluting sectors while saving Canadians thousands at the pump. The clean electricity regulations are essential to send a market signal to ensure that the power we're going to be plugging into is clean as we electrify households and industries.

Third, we need to create momentum by updating how we measure success. The next five years need to be defined by solutions and tangible results. We need to embark on the energy transition with a feeling of optimism and accomplishment, and years of public-opinion research show that Canadians care about what they are gaining, not about what they supposedly can't have. Over the next five years, we need to focus on complementing those emissions targets with clear, tangible metrics that will be relatable to Canadians, like the number of heat pumps in homes, kilometres of transmission lines built and critical mineral mines operating by 2030, and the amount of foreign direct investment in the clean economy.

• (1110)

That said, we still need achievable, science-based 2035 targets. Net zero alone can be a dangerous proxy for doing something someday, leading to higher costs through delay. We won't rise to this moment or meet our climate obligations by doing less. Now is the time to build, to innovate and to ensure that Canada secures its place as a clean energy superpower in a rapidly changing world, because the future isn't coming; it's already here.

**The Chair:** Thank you, Mrs. Doran, for your opening remarks.

[Translation]

I will now give the floor to Mr. Brossard.

**Renaud Brossard:** Good morning, everyone.

I want to thank you for inviting us to testify. My colleague Gabriel Giguère and I are very pleased to be here to discuss certain policies adopted by the Canadian government for environmental reasons and the anticipated effects these policies will have on the economy, particularly on the Canadian families, workers and consumers who make it up.

Under the pretext of protecting the environment, the federal government has passed a series of new laws and put in place a host of new standards and regulations that have a direct impact on the daily lives of Canadian consumers, workers and taxpayers.

Among the measures put forward, one of the most costly for consumers has now been put on hold, while the federal government takes the time to revise it. I am referring here to the electric vehicle availability standard or, as it is more commonly known, phasing out the ban on gas-powered vehicles. This standard, widely considered by Canadians to be unrealistic, would mean gradually restricting the sale of gas-powered vehicles until they can no longer be purchased by consumers over a 10-year horizon.

Add to that the fact that the electric vehicles replacing them would cost much more to purchase, around \$6,720 more for a sedan or \$11,490 more for an SUV, according to the Parliamentary Budget Officer's calculations. When it adopted a ban like this, the federal government failed to consider the capacity of provincial electricity grids to address the resulting increase in demand for electricity. According to some estimates, a measure like this could make demand for electricity shoot up from 7.5% to 15.3% and would require up to \$294 billion to upgrade the grids and generation facilities of the country's power companies.

To be clear, this \$294 billion in additional spending will be passed on to Canadian businesses and families connected to the electrical grids, who will pay higher fees if the ban on the sale of gas-powered vehicles moves forward.

• (1115)

Canadians are more than just consumers. They are also workers and taxpayers, to name just two other labels that are put on them.

Over those years, adopting a policy to cap emissions in the Canadian energy sector has been particularly harmful, and it offers no concrete benefits for Canadians. Whether a tonne of CO<sub>2</sub> is emitted by the Canadian energy sector or when Bombardier is manufacturing a new aircraft at its Mirabel facility, its effect remains the same.

However, at the moment, the government is treating these two activities differently, capping one and giving a free pass to others.

In the global energy market where our companies operate, neither the Canadian federal government nor Canadian companies have an impact on overall energy demand. Every barrel of Canadian oil or every cubic metre of Canadian gas that remains in the ground as a result of legislation or regulation is systematically replaced by an equivalent from other producing countries, such as Russia, Iran and Venezuela, which are not subject to the strict Canadian regulatory environment.

Policies like this stunt the growth of Canada's energy industry and come at a significant cost. They prevent well-paid jobs from being created coast to coast to coast and, by extension, they deprive Canada's federal and provincial governments of significant tax revenues. In other words, this type of policy only has costs but delivers no benefits.

While the current government has already taken some good steps to reinvigorate the Canadian economy by putting a hold on some of the most damaging policies in recent years, we can only hope that it will go further and use this opportunity to reform the broken approval process that's preventing us from getting major projects done. If Bill C-5 helps a bit, it would be better for Canada to have an approval process that is quick by default rather than by exception.

Thank you for your time and attention.

**The Chair:** Thank you very much, Mr. Brossard.

We will now begin the first round of questions. We'll now go to the Conservative Party of Canada.

[English]

Mrs. Anstey, go ahead please. The floor is yours for six minutes.

**Carol Anstey:** Thank you.

I would like to direct my questions this afternoon to the Montreal Economic Institute witnesses, and either of you can respond.

There's been lots of conversation on this committee around the oil and gas emissions cap, specifically around the language and whether or not this is actually a production cap. I'm wondering if either of you would like to speak to the committee about that, as you referenced looking at these policies under the current government. What are your thoughts on that, please?

[Translation]

**Gabriel Giguère (Senior Policy Analyst, Montreal Economic Institute):** The emissions cap is obviously going to reduce production. There will also be very significant economic repercussions. According to the Parliamentary Budget Officer, it will mean a decline of several billion dollars in GDP by 2032, and the loss of 40,000 very high-quality jobs. I think everyone here knows that jobs in the oil and gas sector are very well paid, at about \$150,000 a year.

To answer your question, Ms. Anstey, if we cap emissions, Canada will indeed reduce its production. What we're doing with this type of federal public policy is banning a certain part of production. That production will then be made elsewhere, in Qatar or Venezuela, for example. As a result, Canadians will not be able to benefit from these very good jobs.

Unfortunately, Canada will have no impact on global demand.

[English]

**Renaud Brossard:** Perhaps I can add to what my colleague is saying. The reason the PBO says this will lead to 40,300 jobs lost in 2032 with the referenced scenario is that it will be a cap on production. There will be a cap on Canadian production. As we mentioned, this will not have any effect on global demand. If we cap Canadian production, somebody else will fill that void. It can be Russia, Iran, Venezuela, Qatar or any oil-producing country. Those jobs will simply be going there instead of being in Canada, because we regulated those barrels out of production.

**Carol Anstey:** Thank you.

I have a couple of follow-up points to that. I'm wondering if you can articulate, for everyday Canadians who might not be studying the technical language, what that means in terms of a real community impact, especially in areas that rely heavily on this sector. Can you articulate that for us a bit more?

• (1120)

**Renaud Brossard:** Absolutely.

When we're talking about \$20.5 billion lost to Canada's economic potential, that's our GDP. A GDP is not just a figure of corporate profits and stuff like that. It is wages for people. It is the money that's being spent in local businesses in those communities. It is the opportunities that come from it for people who study in such fields as engineering and petrochemicals more generally. This \$20.5 billion in lost GDP is \$20.5 billion that's lost in a mixture of profitability for Canadian companies but also, and I think most importantly, in terms of wages for the workers who work in those fields and the small businesses who rely on those workers, and other workers in that field, for their patronage.

**Carol Anstey:** Just to follow up on that, you're talking direct, but would you agree that there's also an indirect impact beyond that, in terms of other small businesses starting up? I'm wondering if you can expand on the indirect impact this will have on our communities.

**Renaud Brossard:** It's hard to properly calculate the indirect impact. It's hard to figure out where we stop calculating it. Of course, it is something that will have an impact and it is something that a lot of people don't think of. They think of only the oil and gas com-

munities, but these jobs are throughout the country. There are oil and gas jobs, or jobs that are indirectly associated with oil and gas, throughout the country, whether it is in the services industry or in the manufacturing sector that supports the energy industry in the country. Of course, there are fly-in and fly-out workers from other places, but there's also a whole ecosystem that supports these jobs.

Then, of course, there's the effect on local businesses. If the local oil and gas concern goes out of business, well, that's also a restaurant that will see less patronage. That's a grocery store that will see less patronage. All of those other businesses suffer from it as a result as well.

**Carol Anstey:** Thank you. I think those are all very important points.

I also wanted to put a little extra emphasis on the potential this has in terms of the long-term sustainability of Canada's energy sector. Could you potentially speak to that?

**Renaud Brossard:** Absolutely. Is that with regard to the EV mandate, or is it more about the emissions cap? Both would be an issue for Canada's energy system.

**Carol Anstey:** My question was specifically about the emissions cap, but feel free to talk about either.

**Renaud Brossard:** I'd be more than happy to.

On the emissions cap and what it does for Canada's energy, we know that energy is a big part of our economy. It's an important industry. It's also a wealth-generating industry that allows us to export. It has an impact on a lot of our first nations communities as well, where oil and gas is one of the only employers, in some cases, but also one of the best employers in terms of revenue.

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

[Translation]

Mr. Fanjoy, you now have the floor for six minutes.

[English]

**Bruce Fanjoy:** Thank you, witnesses, for joining us today.

My first question is for Ms. Doran.

In your view, where should Canada be focusing its investments when it comes to electrification and the infrastructure needed to support it?

**Rachel Doran:** Canada has an important role to play on two sides. One is attracting investment here to Canada and spurring those industries, which, as I mentioned in my opening remarks, are going to be playing an increasing role globally, no matter what direction Canada takes. It's ensuring we have that backbone of an electricity grid that's going to spur investment and industrial production here in Canada.

Alluding a bit to what we heard in my colleague's remarks as well, this is also important for household affordability and energy security. Some of the technologies I'm describing.... For electric vehicles we've done numerous studies on the total cost of ownership. The last time we looked at these numbers, this has proven to save Canadians an average of \$3,000 per year over the lifetime ownership of their vehicle. That could be up to \$30,000.

Those numbers change depending on the supports available, but it is statistically proven that it costs less to power up with electricity than with gas. It's really important for the government to also be thinking about that flip side of the coin and how to make sure Canadian households are benefiting from this. It is proven that they are looking for government support to be able to access and benefit in what we're seeing in this global energy transition and switch to electrification.

I think leaning in on the kinds of industries that clearly.... Numerous studies have looked at our potential for value-added in forestry and the importance of critical minerals feeding into a number of clean energy industries. Canada has a lot to offer here. It's not just to one supply chain; it's to many. We really need to be looking at some of those places where Canada can use our innovation, our labour and our upstream advantage.

• (1125)

**Bruce Fanjoy:** Again for Ms. Doran, you've mentioned that the U.K. Climate Change Committee found that the cost of reaching net zero has fallen by 75% in their experience. What lessons can Canada draw from the U.K. experience or those of other nations in revising our cost projections?

**Rachel Doran:** I think what we're seeing happen globally is the amount of change in the last five years in the cost of individual technologies, things like an analysis from Bloomberg that shows a decline of more than 85% in lithium-ion battery prices between 2013 and 2024. We've seen the cost of things like wind and solar reduced by up to 90% between 2010 and 2024. It's just changing the math.

I mentioned in my opening remarks how this isn't a moral imperative but an economic imperative. We're talking about both benefits for households as well as this kind of technology taking off, not just because it might be needed under specific domestic regulation but because it is the most competitive. In most markets around the world, solar PV or wind now represent the cheapest available sources of new electricity generation.

These are some of the numbers and stats behind something like the U.K. Climate Change Committee looking at what they might have looked at five years ago and thinking about the cost of meeting some of these regulations and requirements and seeing that under the current economic conditions, the reality has changed. Some

of this is radically different from what it would have been five years ago.

**Bruce Fanjoy:** I have a question for Mr. Brossard.

I listened to your arguments about jobs in oil and gas. I understand that. We rely on that energy and will for some time as we go through this transition. I thought the arguments about the direct jobs and indirect jobs could also have been the same arguments used to defend the coal industry in the last century.

I'd like you to elaborate on why you think this time is different and we should not ambitiously move forward with better technologies, and how that affects our long-term economy.

**Renaud Brossard:** We at the MEI are agnostic when it comes to the type of energy that is to be used. We understand there is a demand for energy and that demand is going to be met in one way or another.

The difference is that a lot of the phase-out from coal did not come as much from government mandates but rather from the fact that more efficient sources have come online and progressively things have changed.

One of the best ways Canada could help reduce greenhouse gas emissions—this was a note from the National Bank—would be to improve the facilities to export natural gas, so we could replace a lot of the new coal generation coming online in India with clean-burning Canadian natural gas. There's a lot to be said about the benefit this industry can bring.

**Bruce Fanjoy:** You mentioned that coal was phased out because of more efficient solutions. Electricity has been demonstrated to be up to three times more efficient than fossil fuels and is increasingly affordable and accessible for Canadians. If affordability matters to Canadians, why would we not move ambitiously to electrify our energy consumption?

**Renaud Brossard:** That's an excellent question, and thank you for asking.

**The Chair:** I'm sorry to interrupt here.

[*Translation*]

Mr. Brossard, unfortunately, your time is up. You can answer that question in another round.

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

• (1130)

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

Thank you to all the witnesses for being here.

Ms. Doran, you specialize in green energy, among other things. Do you think oil can be green? When the Prime Minister says “de-carbonized oil”, do you think that's possible?

**Rachel Doran:** Thank you very much for the question.

[English]

I think the focus of our organization is very much on the potential and possibility for electricity and the role it should play in our economy, both from a decarbonization perspective and also from an economic perspective. I think it's demonstrably proven that globally, where the economy is going is looking for those economic reasons to start from electrification and move backwards. Electrification can be zero carbon. We can be plugging in so many different purposes, whereas no matter what you're doing with a fossil fuel, you can abate emissions but not remove them.

Again, our organization is very much focused on electricity for its possibility to cost-effectively meet demand, to use its efficiency power and to do the vast majority of what we have relied on fossil fuels to accomplish in past eras.

[Translation]

**Patrick Bonin:** According to the Montreal Economic Institute, among others, it's unrealistic to have a zero-emission vehicle standard. Can you compare our standard to the best practices around the world, which could inspire Canada in this area?

**Rachel Doran:** Again, thank you for the question.

[English]

I would say one thing we're focused on—and this is why I really emphasized the next five years in my remarks—is that we can do so much today so cost-effectively. I think one of the challenges around conversations about emissions is that we tend to focus on that last 10%, rather than on the 90% that we know how to solve cost-effectively. We have the technologies, and they are ready to go. We just need to scale them.

The focus of our organization's approach is really thinking about how we can amplify the role of electricity in Canadian homes and buildings to benefit Canadian consumers and households. How can we use it to attract industries that will be increasingly competitive in this new electrotech revolution we're seeing across the world?

I think, with the greatest of respect for the question, we know the answer to get to 95%. This is, to me, one of the reasons it's important not just to focus on 2050 or the kinds of end solutions that may be in question 20 years from now. We know the answers for the 90%, and we just need to roll them out.

[Translation]

**Patrick Bonin:** You talked about the benefits and the evolution of solar and wind energy, among other things. When we talk about electrification opportunities, how do solar and wind energy compare to nuclear energy, for example? I'm talking about new projects.

[English]

**Rachel Doran:** I think rightfully so. Most procurement across Canada is really focused on what can be done cost-effectively to increase the production in our grids. While we have some nuclear-based power as part of our non-emitting current electricity grid, when we're looking at these kinds of numbers about how wind and solar are coming in on a pure cost level—a cost of energy basis—we did studies in both Ontario and Alberta as early as 2023, finding in Canada, as in the rest of the world, that these are increasingly becoming the lowest-cost source of power. That's why, as battery

costs come down, we're really seeing those come out ahead in the number of procurements in both Canada and globally as the lowest-cost way to produce power.

Nuclear energy does provide an important baseload already in Canada, but in terms of new projects has generally not been found to meet that same cost threshold. Things like SMRs are being tested in Canada, and nuclear has been foreseen by the International Energy Agency, as well as others, as providing some small part of the power we're going to need out to 2050. However, on a pure cost basis, they're really estimating how we would see renewables take over that global lion's share and use technologies like batteries to provide stable power.

[Translation]

**Patrick Bonin:** Rumour has it that the clean electricity regulations may be scrapped. Can you talk about the importance of these regulations?

• (1135)

[English]

**Rachel Doran:** The clean electricity regulations have been an important market signal tool across Canada that have really encouraged utilities, provinces and others to consider what the lowest-cost and most effective pathways are to try to reduce emissions in the electricity sector. They don't get to zero under their current design, but they do provide that signal direction that really encourages starting from things like distributed energy resources, which have been proven to play a really important part in our grids going forward. We're going to be using things like the EVs plugged in our driveway to help power back to our homes and trying to come up with some of those more creative solutions.

That's one of the ways this regulation can help drive a grid that's going to look like the future and not like the past.

[Translation]

**Patrick Bonin:** If I understand correctly, you think it's important to keep these regulations.

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

We'll now go to Mr. Leslie for five minutes.

[English]

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

My questions will be for Mr. Brossard and Mr. Giguère.

A previous Montreal Economic Institute report called the Liberals' net zero by 2050 target “economic nonsense”.

I'm hoping you can unpack a statement like that a bit and walk us through exactly the reasons you would say that.

**Renaud Bossard:** Absolutely. Thank you for the question.

I think a good part of it comes from some of the things we talked about in our presentation. If we look at things like the EV mandate, for instance, Canadians are very clear. We polled Canadians on this. They see it as unrealistic to impose the sale of only electric vehicles by 2035.

Part of the reason is our electric infrastructure. If we want to impose something like this, we're going to need a lot of new generating capacity. Some estimates say it's between 7.5% and 15.3% of extra generating capacity.

Generating capacity is not the only thing. We also need more transportation capacity to get it from the generating stations to people's homes. We also need an upgraded electric network. According to some estimates, this could cost \$294 billion.

Now, I don't know about you, but the last time I looked at the federal budget, I didn't see a \$294-billion pot of money lying around. I don't see that at the provincial level, either. This is going to be an important cost that will be borne by electricity consumers in this country in every single province as that shift happens. That's why we say it's "economic nonsense".

There are a variety of other things. I think the emissions cap is another one where we're cutting ourselves off from a lot of very good-paying jobs with very little effect—actually, with no effect—on global demand for these energies. Essentially, it's as if we were simply exporting well-paying jobs to other countries that don't want to legislate the industry out of existence.

I could go on, but those are some of the most salient examples.

**Branden Leslie:** I will circle back on that massive \$294 billion number.

As part of that plus more, do you have any indication or do you believe that the federal Liberals have ever costed out the total amount of money it would take to actually achieve net zero by 2050?

[*Translation*]

**Gabriel Giguère:** I don't think so, actually. One of the big problems with the EV mandate or phasing out gas-powered vehicles is that the government has moved forward with these types of regulations. However, we have no idea how feasible they are in all of the provinces.

We know that some provinces such as Alberta and others rely heavily on certain types of energy, and that also interferes with other federal regulations. If you have something like the EV sales mandate that's going to drive up production, but you have the clean electricity regulations at the same time that require you to change the energy mix for electricity in your province, let's be very clear: You end up with unintended consequences and unrealistic policies.

We have to be careful. It's hugely expensive. The marginal cost of producing a kilowatt of electricity is much more expensive than it used to be. For example, in Quebec, we paid an average of 2 cents or 3 cents per kilowatt, whereas today, we pay about

11 cents or 12 cents when we add transportation and distribution. We have to be careful with this type of policy because, at the end of the day, it's Canadian and Quebec consumers who will pay.

[*English*]

**Branden Leslie:** Yes, thank you for that.

In my view, the Liberals need to be much more up front about the increased cost to Canadians of implementing all these ideas, like those impending clean energy regulations that you mentioned.

I believe we need to increase our capacity. Certainly, in Manitoba, we are going to be at capacity very soon, and we need to increase our electricity generation through a variety of types of energy.

The combination of those impending clean energy regulations plus, as you say, \$294 billion to ensure we have full EV usage across this country, I have no idea.... That's almost 10% of our entire GDP. How are utility companies or provincial or federal governments ever supposed to pay for that? Most importantly, for the Canadians who are struggling right now, how are we ever supposed to pay for that?

• (1140)

[*Translation*]

**Gabriel Giguère:** This is one of the major problems. Since the marginal cost of production is higher, consumers will pay for this increase in production, which, it must be said, is partly artificial. The government says it will force Canadians to buy new electric vehicles, but, when asked, most Canadians say they don't want this regulation. Two out of three Canadians tell us that the regulation is not realistic.

More fundamentally, electricity demand in Manitoba is exploding. The same is true in Quebec, British Columbia and Ontario. Not only is this increase artificial, but there is also an opportunity cost. If electricity is used in a way Canadians do not want, that's a problem because we would be giving up economic development opportunities. In Quebec, several projects have been rejected. The same thing is likely to happen in other Canadian provinces, and Canadian and Quebec workers will suffer as a result.

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

Mr. St-Pierre, you have the floor for five minutes.

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

Ms. Doran, the organization you represent, Clean Energy Canada, is serving as secretary to the One Canadian Clean Economy Task Force. Can you explain what that task force does?

[English]

**Rachel Doran:** We're working right now with a task force of organizations across the clean energy transition. This includes forest products, clean technologies, the renewable energy being built across our country, battery metals and electric mobility.

One of the things that are really important to recognize is that the clean economy has, until now, been a sector that is maybe divergent across what are more traditional sectors, but it is growing. It's emerging, and there are a lot of parallel interests. I know that there will be other organizations you're speaking with today that are working with companies and workers across this new clean sector. It really is playing a growing role in where our Canadian economy and sectors are moving.

[Translation]

**Eric St-Pierre:** Clean Energy Canada produced a report entitled, "The World Next Door". Can you provide a copy of that report to our committee?

Can you tell me about the opportunities that would be created by building a Canadian clean economy?

[English]

**Rachel Doran:** I'd be happy to provide a copy of the report to the committee.

We started this report looking at the opportunities across the global landscape. That's where we found, looking at Canada's non-U.S. trade partners, that all of them had a net-zero commitment, and all of them had carbon pricing systems. Half were looking at Carbon Warrior-adjusted mechanisms and EV sales requirements. We really needed to start thinking about where the opportunities are that may lie ahead for Canada.

That's where things like clean electricity generation and transmission, critical minerals, EVs and batteries, low-carbon heavy industry, and sustainable and value-added agriculture and forest products are what allies are going to be wanting more of as they start looking for these low-carbon imports. These are places where Canada can really be looking at how we make sure our products are the things that the world is going to want more of.

[Translation]

**Eric St-Pierre:** Clean Energy Canada is based in British Columbia, I believe. Can you talk to us about British Columbia's 2030 targets? Is it on track to achieve them?

[English]

**Rachel Doran:** British Columbia has had an important climate plan for nearly a decade now, CleanBC. It has made a lot of progress toward its own emissions reductions goals. We can see, in a space like electric vehicles, which the committee has heard a lot about here this morning, the importance of regulation in helping numbers drive up.

Quebec and British Columbia have been leaders in electric vehicle adoption across the country because of the strong policy foundation that's existed for a number of years, including regulations like the federal EV sales availability standard, as well as rebates and supports.

With robust policies, we have seen progress in action. That isn't to say that British Columbia, like the rest of Canada, isn't also looking at new ways it could be making sure that there could be tangible progress and value to citizens, and that the policies are the best to produce tangible results for British Columbians, but it can be seen as a success story over the past several years in terms of what robust supports can accomplish.

• (1145)

[Translation]

**Eric St-Pierre:** Alberta is British Columbia's neighbour. Can you comment on Alberta's moratorium on renewable energy? Is it good public policy?

[English]

**Rachel Doran:** This is another example of the importance of not letting policy stand in the way of economics. Alberta was a leader in securing renewable energy investment across Canada and was seeing a booming industry until the moratorium on renewable energy development was put into place.

We are all looking, these days particularly, for ways for Canada to remain competitive on the global stage to ensure that investment is coming here to Canada. To find ways to restrict that instead of promoting it is concerning, because we really should be looking for these things that the world wants more of, and renewable energy development, for all of the reasons I previously suggested, is one of those.

[Translation]

**Eric St-Pierre:** Mr. Brossard, according to the Montreal Economic Institute's website, one eighth of its funding comes from oil and gas companies.

Can you send the committee the list of donors for the past five years? Can you tell us which oil companies fund the institute?

**Renaud Brossard:** The Montreal Economic Institute is proud to be supported by a large number of Canadian organizations. Three quarters of our funding comes from large foundations. We prefer not to disclose the list to ensure that questions are directed to us, not our donors.

**The Chair:** I'm sorry to interrupt you, Mr. Brossard.

Mr. St-Pierre, your time is up.

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

**Patrick Bonin:** Mr. Chair, my colleague asked the Montreal Economic Institute to disclose its funding sources. The response wasn't clear, so would it be possible to ask for that again?

**The Chair:** Mr. Brossard, can you respond to that request?

**Renaud Brossard:** Sorry, I didn't understand the question.

**The Chair:** Mr. Bonin, can you repeat the question?

**Patrick Bonin:** My hon. colleague asked you to produce the institute's list of donors for the past five years. Can you produce that list, specifically the list of oil and gas companies?

**Renaud Brossard:** As I said, the Montreal Economic Institute is proud to be supported by a large number of Canadian organizations in a variety of sectors, and three quarters of our funding comes from foundations. However, we do not reveal the identity of our donors because we want these types of questions to be directed to us, not to them.

**Patrick Bonin:** In 2020, you received \$128,000 from the oil industry. You are refusing to be transparent, which is deplorable. It's interfering with parliamentarians' work.

Ms. Doran, the Montreal Economic Institute seems to be saying that Canadian public opinion is not in favour of the net-zero law and related binding measures. You produced a poll that suggests the opposite. Can you talk to us about support for maintaining a net-zero mandate in Canada?

[English]

**Rachel Doran:** Yes. For starters, it depends on how you ask the question.

We have also polled Canadians about the electric vehicle availability standard, and two-thirds, 66%, said they would support this regulation either as is or with small adjustments. I think the reason for that is, as suggested, that the vast majority of Canadians know that electric vehicles save money over time.

Some of the arguments that are being put before the committee here are maybe looking at this as though it would be a public investment in trying to move people towards electric vehicles. It's anticipated this year that one in four vehicles sold globally is going to be electric. People are choosing those because they will save money over time. It's happening in places like Thailand and other smaller, less developed countries than Canada.

The kinds of targets we're seeing in Canada's emissions regulation are things we're seeing being met already around the globe. We see Austria at 24% and Belgium at 43%. This is where electric vehicles are already being adopted.

In Canada, we're going to see the vast majority of charging taking place in people's driveways. For around 80% of what people will need to power up their electric vehicles, they won't need to go to a gas station; they will charge up right at home.

For these reasons, trying to make sure the standard is kept.... It's going to be proven to bring down the upfront cost of electric vehicles, which, as my colleague suggested, is one barrier people have to adopting them. This regulation can help address that problem with some small adjustments to its trajectory to ensure people do feel that it can be achieved over time and is going to be retrooled to meet their affordability needs. This is an important part of Canada's approach.

• (1150)

[Translation]

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

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

[English]

**David Bexte (Bow River, CPC):** Thank you very much, witnesses, for being here today. The committee really appreciates your time and commitment.

I'd like to expand on some of the themes that we've talked about a bit. Perhaps the Montreal Economic Institute can respond.

There's some discussion about the pure cost basis of intermittent renewables, but there is not a clear understanding of the need for baseload backup or batteries. Further to that is the scalability. We're at a bit of a threshold in terms of scaling generation and transmission, and I think it's very easy to get to a certain point, but going the next step is dramatic. Then, consider AI and data centres doubling the demand on the grid, especially in Canada, with its cold climate.

Can you please comment?

**Renaud Brossard:** Absolutely, and thank you for the question.

I think you're right to point to the issue of opportunity cost. This is one of the major issues that are not being considered, especially with policies such as the EV mandate.

We are putting a very large load on the grid. Through the imposition of EV-only sales by 2035, this is going to need additional investment into the power grid, as we are talking about. According to some estimates, \$294 billion would be necessary just to meet the needs that stem from EVs coming online.

The other part, of course, is that there are jobs that will not be created, because that electricity could have served to power other Canadian industries.

I'm sorry. I responded to one part of your question and want to get back to the first part, but I'm blanking right now.

**David Bexte:** It's okay. It is a question further to scalability.

The demand on the grid is not going to be on just the normal trajectory for the economic activity today. There are new economies, like the reindustrialization of North America and the AI wave.

Canada has a cold climate and has an obvious opportunity. It is a good spot for AI, but the demand on the grid could double. What are the impacts?

**Renaud Brossard:** You're absolutely right. Yes, AI is very energy-intensive, and we want some of that to be done with Canadian electricity, with Canadian energy, but the more we have these policies that mandate other parts to be electrified faster than they would be otherwise, the harder it is on the grid, the bigger the stress on the grid.

Then, of course, as you mentioned earlier in the question, there's the issue of intermittency. When you plug in renewables, there are times when they work—and that is great and they are very low cost—but you always need some backup.

When you look at energy in the street, most people don't talk about renewable versus non-renewable. They talk about baseload versus intermittency. Most of the renewables right now, unfortunately, are intermittent sources of energy, but there are other sources. There's nuclear. There's hydro. There's also, of course, oil, gas and coal that exist, which are baseloads, and these remain an important part of Canada's energy grid.

**David Bexte:** Thank you very much.

There have been some suggestions that the renewables moratorium in Alberta was related to anticipating that we were going to get into a supply crunch because of the lack of backup. We did have brownouts in Alberta, and we had energy grid alerts.

Could you comment on that and on what that would look like across the country or what the risk of it is?

[*Translation*]

**Gabriel Giguère:** You're right. There were some bad experiences, specifically in Alberta, where there were brownouts. It's a problem, because there is increased demand for electricity, and that's partly due to EV sale requirements. However, the Clean Electricity Regulations require Alberta to change the makeup of its energy portfolio. This increases intermittency and reduces base load, and that becomes problematic. We have to be careful because we want a reliable energy system. Not all Canadian provinces are like Quebec, which has hydro when windmills aren't producing as much. It's more complicated for some provinces, such as Alberta and Nova Scotia. We have to ensure we don't create energy insecurity in Canada.

[*English*]

**David Bexte:** Thank you. I think I have time for one final question.

What do you anticipate if we stay on this trajectory of reducing GDP per capita? Well, maybe it's increasing and maybe not, en masse, but what's going to happen to consumers when the grid can't meet demand? What is going to happen by price, or what is going to be the opportunity cost to consumers?

• (1155)

**Renaud Brossard:** On the opportunity cost for consumers, part of it comes from jobs. There are jobs that are not going to be created. In a lot of provinces, there are some mandates to provide electricity for consumers first and industry second.

**The Chair:** Thank you. I'm sorry. The time is up.

The next speaker will be, for five minutes, Mrs. Miedema.

Thank you.

**Shannon Miedema (Halifax, Lib.):** Thank you very much to our witnesses.

We are here and focused on a study about Canada's 2030 GHG reduction targets, whether we're going to hit them, and if we're not, how to hit them better. It feels like we're almost debating whether we should be in climate action, which is not actually the intent of the study.

There are leaders and laggards in any industry. Canada is trying to be a leader in a lot of ways, including in climate competitiveness. We can't move forward collectively all together if it's an "us versus them", and there's a lot of talk... You know, we need a just transition to a low-carbon economy, and I'm wondering, Miss Doran, if you could speak a bit to the thinking around retooling microcredentials and the ability for workers who are in the fossil fuel sector today to still be able to play in this, to have thriving careers and take care of their families in this transition that we are moving towards.

We know there will be a decline overall in jobs in the fossil fuel sector by 2050, but there will be almost a doubling of jobs in the clean energy sector. Please give me some thoughts on that.

**Rachel Doran:** There are a number of things, as I suggested in my opening remarks. Our own studies have indicated the growing role in the clean energy sector that's taking place, in everything from forestry and clean industry to those who will be driving the delivery trucks of the future. I think the question of microcredentialing or other pieces is a very specific one.

What I would say is that the group I have already spoken about, which we are chairing, looking at one Canadian clean economy, has really suggested the importance of some very simple tools to try to make sure we're not inadvertently preventing an apprentice who's looking to become a boilermaker in northern Ontario from going to work on hydroelectric projects in Manitoba.

I'd be happy, then, to offer the committee some thoughts in writing, from that particular group, around one of the particular ways that we can be improving and supporting workers as they make this transition. I will say that Alberta is renowned for its innovation. It has a broad, cross-sectoral energy workforce already. These are people who are going to be critical and essential for the energy transition. I'd be happy to provide greater detail to the committee as a follow-up.

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

Can you also speak a little on the conversation of intermittency? How is the clean energy sector managing the intermittent renewables as we do this transition to net zero?

**Rachel Doran:** Absolutely. I think, because of the cost reductions I've been describing, the goal around the world is to maximize renewables. It isn't to say that they are going to be the full solution everywhere. It's how you use the lowest-cost resource for the most of what you need to accomplish. That's going to be done in a lot of creative ways. It's going to be done using things like interties between provinces that are resource-rich in renewables and provinces that may have some existing baseload power in nuclear or hydro.

I referenced already-distributed energy resources. It's this idea that the cars that we're purchasing as electric vehicles aren't just going to be a drain on the grid. They're a battery. They could be used to give power at those peak moments when our electricity grid needs it. One study in Ontario suggested that these kinds of distributed resources, when used properly, could meet 100% of Ontario's anticipated growth in seasonal peak demand. These are new kinds of solutions. We live in a smart technology era. We're going to be using energy more in smart ways. We don't have to build out the absolute hottest day or coldest day in the way we're designing our electricity grids when we start using some of these technologies in new and novel ways.

In addition to the lower-cost batteries I described, there are going to be a variety of solutions depending on the grid, but the goal will be how we can maximize this energy that is coming for free and that is now producing energy at the lowest levelized cost in most jurisdictions around the world.

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

The Montreal Economic Institute witnesses noted that, if we reduced by a barrel here, another barrel is going to be produced somewhere else, but the world is all moving to reduce oil and gas consumption. Can you please comment on that, quickly?

• (1200)

**Renaud Brossard:** I'm sorry, but was the question for us or for Ms. Doran?

**Shannon Miedema:** I'm sorry. No, it was for Ms. Doran.

**Rachel Doran:** I'm sorry, but I heard Montreal Economic Institute as well. Would you mind repeating the question? I apologize.

**Shannon Miedema:** Could you comment on what they spoke about? If you reduce a barrel of oil here in Canada, you're just giving that opportunity for the creation of an additional barrel of oil somewhere else.

**Rachel Doran:** I think that presumes a few things. One is that we're already seeing reductions in the global price of oil based on just the uptake of EVs in China, but the electrification of end demand is going to influence the amount of oil that's needed overall, and I think.... I'm sorry. I see the time is up.

**The Chair:** There are just three seconds. Time's up now. I'm sorry about that.

**Bruce Fanjoy:** Chair, you were ready to lift the sign, but it was visible to the witness. I would ask that the witness be able to answer that question.

**The Chair:** My sign was not up in the air; it was getting ready. I actually gave extra time, because they didn't understand who the question was addressed to.

Please, members, make it clear which of the witnesses you're questioning, so that they're listening to the question being asked before you get to the final asking of the question. Then they will know who's supposed to be answering. It would help us a lot. Thank you.

I would like to thank all the witnesses for their presence today. I'm sorry to have cut you off. I have to keep control of the clock, but you're free to forward to us any follow-ups to complete your responses to the questions you were asked, if you weren't able to do so. You can forward this to the clerk, and it would be a pleasure for us to insert it in the report.

Thank you again for your presence, and I wish you all a lovely weekend.

The witnesses are excused, and this meeting is suspended while we prepare for the next witnesses.

• (1200) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1205)

[*Translation*]

**The Chair:** I call the meeting back to order.

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

[*English*]

This afternoon, the committee is meeting with the following witnesses.

From the Government of Alberta, we have Premier Danielle Smith joining us by video conference. Welcome.

From Net Zero Industry, we have Christopher Bataille, principal investigator. From New Economy Canada, we have Merran Smith, president, joining us by video conference.

Witnesses, you'll see me lift this sign when your time is almost up. You'll have a minute left. Once I lift this sign, your time is up and we will stop so that we can go to the next speaker.

[*Translation*]

Each witness has five minutes for their opening remarks.

[*English*]

We will start with Premier Danielle Smith. You have up to five minutes. Thank you.

• (1210)

**The Honourable Danielle Smith (Premier of Alberta, Government of Alberta):** Thank you so much, Chair Iacono and members of the committee, for inviting me to address your Standing Committee on Environment and Sustainable Development today.

I am pleased to be here to provide the committee with specific details and an update on Alberta's "Emissions Reduction and Energy Development Plan". Plenty has changed since my government drafted this plan and released it in 2023, and I think it's important to outline how we are adapting to the new global geopolitical realities, energy security, affordability concerns and economic challenges facing all Canadians today.

Alberta's emissions reduction and energy development plan was designed to be pragmatic and achievable and to ensure that Albertans have access to affordable and reliable energy, whether it be for commercial businesses or for individuals. Our plan is geared to a 2050 carbon-neutral economy.

Alberta is a global leader in emissions reductions and has made major progress on several fronts. We were the first province to adopt a carbon price in 2007 and what we call our TIER program, which is an industrial program that is renowned for supporting innovation and research in emissions reduction in many sectors, including oil and gas. Alberta achieved methane targets based on 2014 to 2023 levels three years ahead of requirements, and industry continues to make investments to lower our methane emissions. It is not known to many that Alberta also phased out coal-fired electricity in 2024, well ahead of schedule.

Alberta's oil sands have reduced emissions per barrel by 25% since 2013, and we have kept our overall emissions flat while increasing production. This has been achieved by reducing our natural gas use and enhancing steam-to-oil ratios and new solvent-assisted extraction. All of these are lowering the overall intensity per barrel.

As Canada's energy leader, we are on a path to double oil production and ensure that Canada can attract capital back to Canada, significantly enhance GDP, reduce our dependence on the United States and create hundreds of thousands of jobs while diversifying our trade markets globally.

Alberta's endowment of natural resources is greater than that of many of the G7 countries, even if you combine some of them. We just finished a review of the province's resources, and our reserves now amount to 1.8 trillion barrels of oil, of which 167 billion are recoverable with today's technology. We also have 1.36 quadrillion cubic feet of gas, of which 144 trillion cubic feet are recoverable with today's technology.

Canada and Alberta can be a global energy superpower. We can unleash massive new investment in data centres, infrastructure and petrochemical development. Oil and gas can deliver tens or even hundreds of billions of dollars in royalties and taxes, and thousands of good-paying jobs that support wealth generation across all provinces. We're advancing our ambitions with a new oil pipeline and the necessary emissions reduction from our oil sands producers that lead the Pathways initiative.

There is one problem. We need to decouple and eliminate a host of bad laws introduced by the Trudeau government over the past 10 years. The most egregious of those investment killers include the oil and gas emissions cap, the unconstitutional Bill C-69, which we call the no new pipelines bill; Bill C-48, the oil tanker ban; and the clean electricity regulations, which penalize Alberta's power sector,

will drive up energy prices for Canadians and make natural gas a disadvantaged feed stock.

These regulations and draft policies have resulted in economic stagnation and one of the single greatest acts of self-harm in Canada's economic history. As a result of these policies—and there are more than the ones I listed—in the last 120 days, Canadian-based companies have announced more than \$20 billion in capital investment in the United States.

Canada can be a global energy powerhouse. We can provide our people and the world with reliable energy and eliminate energy poverty for billions of people. We can act, and we must act, to enable investments in every major resource sector and deliver revenues and economic activity in support of this great country.

Canadians have been clear in recent polling. They endorse a new pipeline to export our oil to Asia. We need the federal government to do the right thing and eliminate these bad laws.

Although I'm pleased that we've seen progress with the pause of the gas car ban and the removal of the consumer carbon tax, there is still much more to do. Our country's economic viability is hanging in the balance, given the forthcoming changes in manufacturing and steel and aluminum and a very difficult CUSMA renegotiation. We must unleash our energy strengths as a country, and Alberta stands ready if Ottawa works with us to do the right thing.

Thank you. I look forward to answering your questions.

• (1215)

**The Chair:** Thank you, Premier Smith.

Now the floor is for Mr. Christopher Bataille, for five minutes.

**Christopher Bataille (Principal Investigator, Net Zero Industry):** Thank you very much, Chair.

This is going to run in a slightly different direction.

Canada's GHG inventory provides a clear historical record of the size and direction of our sectoral emissions. While our population and economy have been growing, power production emissions have fallen steadily, building and transport emissions have been roughly flat, and non-oil and gas industry emissions are falling slowly, while emissions from the oil and gas sector have, over the course of my career, grown enough to offset almost all of the reductions in other sectors. This pattern has been consistent for the last 30 years or so.

In short, we are going too slow but in the right direction in most sectors, and very quickly in the wrong direction in oil and gas. These dynamics mean we will almost certainly not hit our 2030 targets, and will probably not hit our 2050 Paris Agreement goals without significant changes. Our existing policies are simply too weak or missing in some sectors. How do we address this in a politically realistic way?

To start, in most cases for household, institutional, transport and light industrial emissions, we have options to cleanly electrify the sector, often with some organizational and infrastructure changes. Usually, this means higher upfront costs and lower costs over time, if we make enough clean electricity cost-effectively, with overall savings. Electric vehicles, building efficiency, heat pumps and electric appliances are all examples.

Because households often make decisions on the basis of factors other than cost, we have seen that carbon pricing has not proved highly effective in that sector. We may be better off regulating these sectors based on performance, for example, with tradable over-compliance credits for supplying firms, and providing early, limited and falling subsidies to support early demand and supply.

However, heavy industry and large businesses are not easily regulated. Every industrial sector process is different, and almost every industrial facility is tailored to local circumstances. There is no one-size-fits-all answer, and there are usually lots of low-cost but complicated options and a few high-cost but simpler ones. Industries are usually, to some extent, exposed to trade and global policy developments as well, as we have seen in the last year or so.

Business also tracks all revenues and costs very closely, which means carbon pricing works well in this sector, with tweaks to protect competitiveness, such as Canada's output-based pricing system or border carbon adjustments. These policies must be carefully calibrated, or the policies' effectiveness can collapse. These dynamics are well understood but require a competent oversight agency and clear expectations of stringency by all parties.

Some industries do not yet have solutions. This is where most of my research lies. They need help and to co-operate with others to develop clean technologies. Even once available, these technologies may cost more than their dirty equivalents, and while the final cost to the consumer may be small, the cost may be very high for firms.

Domestic and global governments and firms need to work together to create lead markets for these products, with clean government procurement and flexible lead market regulations.

Missing our 2030 targets is bad but recoverable. What will cost us dearly is if we never get to net zero at all, because the global temperature will keep rising until we do. The raw truth is that all investment must be low, net zero or negative emitting as soon as possible. The good news is that Canada is well equipped to gain from the global shift to a net-zero society built around the use of clean electricity and minimal unabated fossil fuels. Canada's needs are different, but why shouldn't the world's best cold-weather electric vehicles, buildings, heat pumps and clean power generation equipment of all kinds be designed, tested and built here? This would be very consistent with our industrial history.

Global mitigation brings not just costs but export opportunities. We can build wind in Labrador and use it to turn our high-quality iron ore into clean iron that can be exported at three times or more the value we export it for today while reducing the cost of decarbonization for our own steel sector.

There are also opportunities for Alberta and Saskatchewan as producers of low-GHG chemicals and fuels if they prepare now, for example with tight fugitive controls, clean electrification and targeted CCUS.

In summary, Canada and its provinces are at a crossroads between being an eventual rust belt petrostate with deep regional tensions and transforming into a competitive, wealthy and equitable electrostate. Specific policy recommendations include the following: maintain the clean electricity regulations provinces need to formally add climate goals to the laws enabling utility mandates and municipal planning and zoning; maintain the zero-emissions vehicle standard and industrial carbon pricing, even if the schedules need to shift while holding net zero in sight; support provinces in mandating flexible net-zero building standards for all building projects, starting with hybrid heat pump cooling and heating as a benchmark; and rationalize funding and create programs for industrial transformation supported by green procurement, using reverse auction contracts for difference to minimize costs.

Thank you.

● (1220)

**The Chair:** Thank you, Mr. Bataille. It's on the dot. Thank you very much.

Now we'll move forward to Ms. Merran Smith for five minutes.

Thank you.

**Merran Smith (President, New Economy Canada):** Thanks.

I'm Merran Smith, president of New Economy Canada, an initiative uniting more than 60 businesses across mining, construction, cement, steel, clean energy and technology sectors, along with labour and indigenous parties, who are all committed to accelerating investment and creating jobs in Canada's clean economy future.

I'm also a fellow at SFU, a former board member of B.C.'s Crown utility, BC Hydro, and—relevant to today's testimony—I'm currently appointed by the B.C. government to conduct an independent review of their climate plan, CleanBC.

I'm happy to talk in the Q and A about our findings, about what's working, not working and what needs updating, as B.C.'s plan started in 2018, with policies similar to the federal ERP, such as the methane regs, industrial pricing, oil and gas cap, EV mandate and others.

I want to begin by situating Canada's ERP plan in the global economic context, recognizing Canada's urgent need to diversify our trading relationships.

First, global investment in clean energy is soaring and costs are plummeting. Last year, \$3 trillion—yes, trillion—went into renewables, nuclear, grids, storage and electrification. That's double what went into fossil fuels. Since 2010, the costs of solar power, lithium batteries and other storage products have dropped by about 90%. Clean energy is now the smart economic choice and the smart energy security choice. That's important, as the world's looking for more security.

This growth is having side benefits for Canada, as we have an abundance of the critical minerals these technologies require.

Second, our trading partners and competitors are already reaping the rewards of this transition. South Korea's clean energy exports are up 35% since 2020, and the EU's renewable energy sector already employs over 1.8 million people and clean energy investments reached about \$390 billion USD in 2025. These countries are pairing their climate policy with industrial strategy and it's paying off.

The U.S., moving in the opposite direction, is the real outlier.

Canada's ten largest trading partners, outside the U.S., all have enshrined policy preferences for low-carbon products. The U.K. and the EU have already begun to enact border tariffs on high-carbon goods.

Only growing the low-carbon economy can offer real stability, long-term jobs and value in this new paradigm.

But, to become the investment destination of choice, governments must create the conditions to support Canada's innovators and implementers, and send strong signals to international investors and customers that there's no better time to build in Canada and buy Canadian.

Which brings me to Canada's 2030 emissions reduction plan.... It's typically talked about as environmental policy, but it's also economic policy. I'll give you four examples.

Pricing industrial pollution—that sends a market signal to industry to invest in those technologies that will cut their emissions. It

also sends a market signal to innovators to develop those technologies. The end result is cleaner products—that's what the world's looking for—and clean technologies we can sell to the world.

Similarly, the EV availability standard sends the same message, not just to auto makers, but also to battery producers, mining and processing companies and EV charging companies, driving investment, innovation and growth across the whole supply chain.

The clean fuel regulations do it too, spurring investment in Canadian biofuels and other clean fuel productions, and we could do a lot more in this area.

Finally, the ERP's focus on clean electricity is critical. As we diversify trade and build Canada's new economy, clean electricity, battery storage and an interconnected grid will be the foundation of our industrial growth, building off our relatively clean existing grid already.

In closing, the ERP and its policies are working, not just to drive down emissions, but to spur innovation and investment by companies, so that they can compete and win in this low-carbon economy. Maintaining that policy certainty and durability are key to securing and sustaining investment in Canada's economy.

While there's room for some modifications, calibrations and, at times, flexibility, Canada needs to continue with the ERP, and importantly, to create clearer connections between the ERP and industrial policy, to accelerate both emission reductions and economic growth. This is what will build a strong Canada, with long-term, well-paying jobs across the nation.

● (1225)

**The Chair:** Thank you, Mrs. Smith.

Now we will start with the Conservative Party, for six minutes.

Mr. Bexte.

**David Bexte:** Thank you, Chair, and thank you to the witnesses and Premier Smith for joining us here today. It's a great pleasure.

There's a lot to unpack with the preambles. I'd like to start, Premier Smith, with a geopolitical view.

We've seen key allies around the world repeatedly ask for Canadian energy. More recently, Taiwan has been asking for help with their circumstance, and even India has said recently that Canada is not a reliable supplier yet.

Given this context, what level of interest or commitment do you see from around the Pacific Rim and other parts of the world? Will you push the federal government to stand with these democratic partners and support Canadian energy exports to them?

**Hon. Danielle Smith:** I see a very high level of interest. In fact, as the intergovernmental affairs minister and international affairs minister, I meet regularly with ambassadors, and virtually every person I have met with has asked, "How can we get more reliable energy from Canada?"

Right now, we do export through the Trans Mountain pipeline. When that began, everybody thought most of that product would go to the United States. Instead, the majority of it is now going to Asia.

In addition, the way we get our product to Europe is that it goes all the way down to the gulf coast, where it gets loaded on a tanker and sent to places like Poland and beyond. We should probably be trying to do more of our sales directly if we want to open new markets. We think there's capacity for another million-barrel-a-day pipeline going to the west coast and maybe another one going to Churchill or James Bay, and we'd also like to see Quebec develop its substantial natural gas resources to be able to wean itself off American supply and support our partners in Europe as well.

**David Bexte:** Thank you, Premier.

You mentioned a pipeline to the west coast, and that's quite topical right now.

If this pipeline project ultimately is not approved, what do you think the first-order and second-order economic impacts will be on Canada? What will be the cascading effect on the Alberta economy locally and on Canada as a whole?

**Hon. Danielle Smith:** I can quantify it, because we did have three pipelines that were in various stages of development and got cancelled because of regulatory uncertainty or a political point of view: the northern gateway pipeline, the Keystone XL pipeline and the energy east pipeline.

If all of those had been constructed, we would be generating 2.5 million barrels a day in additional production. At today's prices, that would be 55 billion dollars' worth of GDP. Governments take about 40% of that. The provincial and federal levels of government split it about equally, so there would be anywhere from \$10 billion to \$15 billion a year in additional tax revenue for the federal government and about the same for Alberta.

That's what we have foregone because of the policies of the last 10 years. We don't want to see any of that future production foregone, and that gives you some idea of what would be possible if we were to grow our production and exports by 2.5 million barrels a day.

**David Bexte:** Premier Smith, B.C.'s premier, David Eby, is staunchly opposing the pipeline and supporting the tanker ban. What steps are you taking to engage meaningfully with him and with Ottawa to find a path forward? Are you optimistic that there is a political solution, or do you anticipate a legal challenge again?

**Hon. Danielle Smith:** I was pleased to see that one of the NDP leadership candidates is also opposed to the continued tanker ban. I think that's where we have to get to; we should be able to, regardless of political stripe, support each other in developing our projects. I can tell you that I do. When I travel internationally, I talk about Quebec's aluminum business, I talk about the auto business in Ontario and its ability to produce steel, and I talk about LNG exports from British Columbia. We have critical minerals in every part of this country, including the north. There is not a single project that has been proposed that I have expressed an opposition to, and I hope that politicians and premiers of all stripes would take the same view.

When I look at the project that would have had the most impact on developing new markets, it was the northern gateway project. Maybe there's a need for us to consider a different route. My indigenous relations minister, Rajan Sawhney, this week was at a

meeting of B.C. chiefs in Kitimat, and we've begun the consultation on the ground.

We have already, in the past five years, developed something called the Alberta Indigenous Opportunities Corporation, which has underwritten \$750 million in loan guarantees so that indigenous bands can take an equity stake in a variety of projects, including natural gas power plants and pipelines. We know the system works; it's going to generate 1.3 billion dollars' worth of revenue for those bands directly over the course of their lifetime, and we would like to see the same kind of arrangement with Alberta and British Columbia bands.

• (1230)

**David Bexte:** Thank you, Premier. We're running short on time. Do you believe Bill C-48 runs counter to Canada's commitments to reconciliation and indigenous self-determination? Chief Councillor Harold Leighton has indicated that it infringes on their rights.

**Hon. Danielle Smith:** I agree. One of the points that the National Coalition of Chiefs, Dale Swampy, and the Indian Resource Council, Stephen Buffalo—who also chairs our AIOC—made to me is that the United Nations Declaration on the Rights of Indigenous Peoples gives the right to say yes as well. I think we've seen that exercised to great effect with LNG projects all up and down the west coast, and we would like to enable more of that.

**David Bexte:** Very quickly, do you have any more comments on how the world sees Alberta and Canada?

**Hon. Danielle Smith:** Well, one thing I would say is just to challenge the testimony you had earlier. In fact, we're looking at a world where we might have to have 123 million barrels a day of production. We're going to need 18 trillion dollars' worth of investment in oil and gas infrastructure to meet that future demand.

**The Chair:** Thank you, Premier Smith.

Now, for six minutes, we have Mr. Fanjoy.

**Bruce Fanjoy:** Thank you, witnesses, for joining us today. I'd like to direct this to all three of you. We occasionally or sometimes frequently hear about the cost of investments required to transition to a clean and renewable grid, as though that should be a barrier to moving forward with ambition.

I'd like to give you each an opportunity to speak to the cost of inaction. What would be the impact on the Canadian economy, Canadian residents, of unmitigated and rising temperatures?

Merran Smith, I'll let you go first. Thank you.

**Merran Smith:** Thank you, and thanks to all of you for holding this hearing and inviting me to present today.

On the cost of inaction, I want to actually start not with the trillions of dollars of costs because of wildfires, flooding, drought, etc. Living here in B.C. we've seen the costs of that, and it includes lives as well. In that heat dome in British Columbia, over 600 people perished during that event, and that was just one event. We've had billions of dollars of destruction through wildfires and homes destroyed, etc.

On the cost to citizens, one is the cost of insurance. That's a real cost that we've seen. I don't have the stats on hand, but perhaps somebody does, and I can follow up with the committee about just what we are seeing already in terms of the household costs.

I would say more importantly the costs of inaction are putting Canada's economy at risk. The world is, as I've identified, moving to a lower-carbon economy in which people are both continuing with climate policies and putting in place border carbon adjustments. There will be costs to Canadian goods if we are not following through on that, and secondly, there are the costs of what the world will be buying. I mentioned that South Korea, which is one of the places we're identifying as a target for our LNG exports, may well be purchasing LNG, but they are also developing their clean energy and clean technology sector.

A decade ago, when we started these conversations, it was really ideas around where we thought things would go. Now the costs have dropped—hear me—90%, and then 90% again, not just for things like solar and wind but also for battery technology, storage technology. That helps address the intermittency of renewables and actually creates grid stability.

What we risk is our economic future.

• (1235)

**Bruce Fanjoy:** Thank you, Ms. Smith. I want to give Mr. Bataille an opportunity to answer next.

**Christopher Bataille:** There's obviously a global cost to rising temperatures, shared with everyone globally. We're not going to address those without action by everyone, but I'd like to build on Meran's point.

The world is learning. It's moving more to an electrified future, where probably 80% to 90% of our economy is going to be directly electrified, likely powered by clean electricity. There will be 10% to 20% at the back end that's going to require other technologies. If we do not participate in the movement to that 80% to 90%.... That's where future exports are. That's where future productivity is. We have a productivity crisis in Canada. Our wages are stagnating. Part of it is because we're not learning. We're not moving forward with new investment and learning how to do new things in our way. One of the ways to jump-start productivity in this country is to invest in electrotech and the clean electrified future.

**Bruce Fanjoy:** Thank you.

Premier Smith, I want to give you an opportunity on particularly how it would relate to the future economy of Alberta if we do not take action to address this changing world.

**Hon. Danielle Smith:** Well, no one's talking about not taking action. I think what we're talking about is whether a 2030 target is realistic or a 2050 target is realistic. Our plan is centred around a

2050 target, which is what we signed on to internationally and what most of the nations of the world have signed on to—except for China, which has said 2060, and I believe India, which has said 2070.

I can tell you the cost. We almost had an experience of that in January 2024. It was at five o'clock at night, when the sun went down, and there was no solar. It was -30°C. We had to turn down the wind turbines, because they have mechanical failure after -30°C. We had to do an emergency call-out to our people to turn off their lights while they were doing dinner and homework with their kids at night to avoid having our power grid fail.

When the power grid failed in Texas, 1,000 people died. I think that's one thing we have to keep in mind about reliability.

**Bruce Fanjoy:** Thank you, Premier Smith.

I wanted to take a moment to ask about the electricity market in Alberta. According to the Pembina Institute, the moratorium on renewable energy projects has resulted in half of proposed renewable energy projects being cancelled or stalled. How do you defend this loss of investment in Alberta?

**Hon. Danielle Smith:** I would encourage you to look at every other province that doesn't have anywhere near the amount of installed wind and solar as we do. We do because we have a private sector market. The reason we've been able to bring so much on is that when the wind doesn't blow, which is 70% of the time, and solar doesn't work, which is 90% of the time—

**The Chair:** I'm sorry. Time is up. Thank you.

**Hon. Danielle Smith:** —we have natural gas to back it up.

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

Please, dear colleagues, look at the time and try to respect it. It becomes very hard for me to interrupt the witnesses. I don't like doing that, but unfortunately I have to in order to respect our time. If not, we'll start arguing about who got more or who got less. Let's please help each other.

[Translation]

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

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

Premier, let me provide some context for you. Quebeckers are concerned about worsening climate catastrophes. Parts of Quebec are experiencing serious drought and water supply issues. Water levels in the St. Lawrence are low. Floods are becoming increasingly frequent. This summer, forest fires polluted the air in cities like Montreal and Quebec City. They had some of the worst air quality in the world. There were also forest fires in Fort McMurray, as you know. As you know, what's happening in Alberta this year is even more worrisome.

Do you believe the climate is warming, and do you think human activity is the primary cause of that?

[English]

**Hon. Danielle Smith:** I can tell you that one of the issues we're facing in managing our forests is that they die at the age of about 80 years. Many of our forests are very old. We have to do better forest management practices to be able to either do prescribed burns or remove them mechanically in order to avoid them burning up and creating—

• (1240)

[Translation]

**Patrick Bonin:** Excuse me, Premier.

[English]

**Hon. Danielle Smith:** Well, remember, when forests burn, they also release carbon dioxide.

[Translation]

**Patrick Bonin:** Sorry.

What I asked was, do you believe the climate is warming, and do you think human beings are largely responsible for that?

[English]

**Hon. Danielle Smith:** As I said, we have a 2050 target for greenhouse gas emissions reduction and being net zero, because we know it's a serious issue, but we also know that we have to take a practical approach.

[Translation]

**Patrick Bonin:** Sorry to go on about this, but my actual question is about whether the climate is warming—

[English]

**Hon. Danielle Smith:** So yes, that's the reason we have an emissions reduction plan for net zero by 2050.

[Translation]

**Patrick Bonin:** Pardon me, Premier. My question is not about whether you have a plan for 2050. My question is this: Is the climate warming, and is human activity largely responsible for that?

[English]

**Hon. Danielle Smith:** I can tell you that our industry is concerned about the impact they are having on emissions, yes. That is why we have a 2050 target to be carbon neutral.

[Translation]

**Patrick Bonin:** Okay.

You refuse to acknowledge that global warming is taking place, and that is quite worrisome. I imagine that you also refuse to acknowledge that the warming is leading to an intensification of extreme weather events such as floods, forest fires and drought.

[English]

**Hon. Danielle Smith:** I thought this was a committee that was interested in actually getting to the bottom of what a practical approach is to get to net zero by 2050. Our practical approach—

[Translation]

**Patrick Bonin:** Can you answer my question, please?

[English]

**Hon. Danielle Smith:** I am answering the question. Our industry, through the Pathways project, wants to be net zero by 2050, with carbon capture, utilization and storage, bringing more different types of non-emitting electricity into their production and also doing direct air capture. I opened a facility yesterday for direct air capture. It's a Québec-based company that is investing in Alberta.

[Translation]

**Patrick Bonin:** Premier, can you answer—

[English]

**Hon. Danielle Smith:** I am answering the question. We want to be net zero by 2050, and we have a different way of doing it from in Québec.

[Translation]

**Patrick Bonin:** You didn't answer my question. Can you answer my question, please?

[English]

**The Chair:** Order, please.

**Hon. Danielle Smith:** I've answered the question. We want to be net zero by 2050 through carbon capture, utilization and storage.

**The Chair:** Order. We cannot have two people speaking at the same time. We have translation. We need to be respectful of those who are doing the translation.

Please, all parties as well as witnesses, to have an easier flow, I ask the witnesses to listen to the person who is asking the questions. If he is interrupting you, it is because he needs to redirect his question. Remember, he has little time to ask his questions, and he is the one controlling his questions. It's not me, and it's not other members; it's the person asking the question. Please be conscious that he may interrupt you because he may be searching for a particular answer to a particular question.

Thank you very much for your collaboration.

[Translation]

**Patrick Bonin:** Mr. Chair, I'll try again.

Ms. Smith, do you think global warming is taking place, yes or no?

[English]

**Hon. Danielle Smith:** Yes.

[Translation]

**Patrick Bonin:** Is human activity primarily responsible for this global warming, yes or no?

[English]

**Hon. Danielle Smith:** Human activity is contributing to it, yes.

[Translation]

**Patrick Bonin:** Is it the main reason for this global warming?

[English]

**Hon. Danielle Smith:** I don't know the answer to that. I'm not a scientist. We do know that we need to get to carbon neutral by 2050, and we have a plan to do that.

[Translation]

**Patrick Bonin:** Do you acknowledge that oil and gas are largely responsible for the current global warming?

[English]

**Hon. Danielle Smith:** I know that a lot of methane emissions come from hydroelectric development, so hydroelectric is also a methane producer, which has 10 times the impact of carbon dioxide. All sources of methane, as well as CO<sub>2</sub>, have to be reduced.

[Translation]

**Patrick Bonin:** You set a goal of net zero by 2050 for your province and said you want to double oil production. Those two objectives seem to be incompatible, even though there is talk of carbon capture and sequestration.

Has your government carried out any modelling of the greenhouse gas emissions that would result from your energy policies? Would you be willing to share that modelling with the committee?

[English]

**Hon. Danielle Smith:** Yes, we have seen an increase of 90% in oil sands production, and, because of energy intensity, we've seen a reduction in the amount of emissions produced.

We do know that we have seen a 60% reduction in our electricity grid emissions because of going from coal to natural gas. That's what we think will be the greatest reduction in global emissions—

[Translation]

**Patrick Bonin:** Excuse me, Premier, but that wasn't my question.

Since you're talking about doubling oil and gas production while achieving net zero by 2050, do you have any modelling of the greenhouse gas emissions that would result from your current and projected energy policies by 2050? Can you send that modelling to the committee?

[English]

**Hon. Danielle Smith:** Well, I understand that in Quebec you don't understand the oil industry, so you don't know that there are

6,000 products that come from a barrel of oil, including asphalt, carbon fibre—

[Translation]

**Patrick Bonin:** Ms. Smith, can you answer my question, please?

[English]

**Hon. Danielle Smith:** I'm just telling you these are non-combustion—

[Translation]

**Patrick Bonin:** Premier, can you answer my question?

[English]

**Hon. Danielle Smith:** I am answering. There are non-combustion uses. Those are zero-combustion uses...when you put asphalt on a road.

• (1245)

[Translation]

**Patrick Bonin:** Here is my question: Do you have any modelling that shows that Alberta is capable of achieving net zero by 2050 while doubling oil and gas production? If so, can you send it to the committee?

[English]

**Hon. Danielle Smith:** Yes. We're doing carbon capture, utilization and storage. We will be bringing non-emitting sources onto our electricity grid, with interties with British Columbia, Saskatchewan and Manitoba. We will be bringing on nuclear, which we're supportive of, including small modular reactors. We'll be doing direct air capture, for which I cut a ribbon yesterday to announce the 10th project that is being done in that regard.

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

[Translation]

**Patrick Bonin:** Mr. Chair, I expect the committee to receive the requested modelling, since the premier said she had it.

**The Chair:** Okay. The clerk will follow up on that.

Thank you very much, Mr. Bonin.

[English]

Thank you, Mrs. Smith.

Now, for five minutes, we'll have Mr. Leslie.

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

Premier Smith, oil demand continues to rise, and every barrel that we do not produce here will be produced somewhere else, often with far weaker environmental standards.

Will the Liberals' oil and gas production cap simply drive global emissions around the world to increase?

**Hon. Danielle Smith:** Yes. I don't believe any other country has the substantial pore space that we have in Alberta. We've mapped out 25 hubs. We have technology that we have deployed at scale. We've already sequestered 14 megatonnes of CO<sub>2</sub>. Our neighbour, Saskatchewan, which also has an enhanced oil recovery program, has sequestered 40 megatonnes. In partnership with industry, we've been able to deploy that technology.

As I mentioned, I think direct air capture is the most promising, because that allows us to take CO<sub>2</sub> directly from the atmosphere and safely sequester it underground in that porous space.

I don't see other nations making the same kinds of investments that we are. We have a commitment to be carbon neutral by 2050 through all of these different technology mechanisms. I think that Canada should have a greater share of that increasing market for oil and natural gas.

**Branden Leslie:** Thank you, Premier.

Now, the Liberal government chose to exclude enhanced oil recovery from its carbon capture tax credit. If companies were able to use captured carbon to safely extract more energy from existing wells, isn't that a win both for the environment and for our economy?

**Hon. Danielle Smith:** It is, because it allows for us.... In the case of Saskatchewan, which does this from a coal plant in North Dakota, they are able to capture the CO<sub>2</sub> and then use it for land and soil recovery, and that CO<sub>2</sub> stays safely stored. We are doing that.

This is technology that has been advanced for decades, but in addition, we can also take that CO<sub>2</sub>, liquefy it, as they are doing in the project at Tamarack, which I opened up yesterday, and then safely store it underground as well, so that it stays there permanently.

These are the new technologies that will allow us to do both: to produce the affordable and reliable energy that the world needs, but also to do so in a way that reduces and ultimately neutralizes emissions by 2050.

**Branden Leslie:** Thank you, Premier.

Thousands of indigenous Canadians work in the energy sector. These are good, high-paying and life-changing jobs that build real prosperity. If the emissions cap stays in place and is not scrapped, would that not threaten the growth of the opportunities for such folks?

**Hon. Danielle Smith:** It certainly would. There is a natural rate of decline in all of these fields, and you need constant reinvestment in order to maintain your current level of production.

With a 2030 target, or even a 2035 target, we have been told that would reduce the production we can do by two million barrels a day. I've already done the math for the committee on what 2.5 million barrels a day of additional production would be able to provide to our GDP. You can imagine what a reduction of two million barrels a day would take away, not only from our GDP but also from jobs, as well as the income we need for royalties and for taxes.

**Branden Leslie:** You mentioned the two million barrels mark. Your target is to reach eight million barrels a day by 2034. What

specific infrastructure would you need to get built in order to get that product to market?

**Hon. Danielle Smith:** Well, a few things.... I was pleased to see that Prime Minister Mark Carney has again put the issue of the Keystone pipeline back on the table as a way to—hopefully—get a deal for steel and aluminum. I think that's the way the country works together. It's that we all use our various advantages to be able to help one another. That could be one million barrels a day.

Enbridge Mainline I think also has a few hundred thousand barrels a day that they want to be able to optimize in their current system. In addition, on the Trans Mountain pipeline, I was pleased to see that David Eby is supporting the optimization of that system, which also could add another 300,000 barrels per day.

Then, if we also get a million barrels per day from a new pipeline, northern gateway 2.0, we're getting pretty close to an additional 2.5 million barrels per day, which would generate 55 billion dollars' worth of revenue for the Canadian economy, of which about \$10 billion or more would go to the federal government to help pay for NATO commitments.

This is a win all the way around.

**Branden Leslie:** Thank you, Premier.

As it stands, if Prime Minister Carney doesn't dramatically change or remove the Trudeau era and Guilbeault era job-killing environmental policies, is there any chance whatsoever that Canada could possibly actually become an energy superpower?

● (1250)

**Hon. Danielle Smith:** What I'm hoping the Prime Minister will do is align with the plan that we put out in 2023, which is to look toward a 2050 target to become carbon neutral, not only using renewable technologies and new technologies but also allowing some of the innovations that I've been talking about here today. Barring that, if the federal government maintains its restrictions of 2030 and 2035, there will be no investment.

As I mentioned, we already have 20 billion dollars' worth of investment that has fled the country in just the last few months, going to the United States. We can bring those dollars back if we restore investor certainty.

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

[*Translation*]

Mr. St-Pierre, you have the floor for five minutes.

**Eric St-Pierre:** Thank you, Mr. Chair.

Mr. Bataille, you mentioned in your testimony that Canada could become a petrostate. Can you clarify what you meant by that?

[English]

**Christopher Bataille:** “Petrostate” and “electrostate” are two terms that have come up in the financial industry and the financial press in the last six months. What that refers to is the attitude of a country toward long-term development, not necessarily what they're doing right now with their reserves, but where they're orientating their new investments.

China, mainly for energy security reasons and local air quality reasons, is very much doubling and tripling down on electric vehicles, solar, batteries and what have you. The U.S. approach is somewhat schizophrenic, because it developed a lot of these technologies but obviously there have been reversals. Europe is mainly heading toward an electrostate, and, again, that's for energy security reasons.

If we put all our investment into oil and gas development—everything that's available to us—we could very much end up with a built structure that's not suited to the demands of the 2040s, 2050s and 2060s, when mainly it's going to be electricity-driven technologies that move the globe's economy. We can do both for a little while, but we really have to emphasize our electrostate development as well as any fossil fuel developments that we're doing at the present.

[Translation]

**Eric St-Pierre:** During your testimony, you talked about the carbon border adjustment mechanism, or CBAM.

I'm from Quebec, where the aluminum industry is quite significant. Can you tell us how important the CBAM is to the aluminum industry, and even the steel industry? How can we seize those opportunities?

[English]

**Christopher Bataille:** We've been talking about border carbon adjustments for a couple of generations at this point. All they do is allow a country to apply quite strong policy inside the country, and anybody who is exporting into that country—bringing in steel or commodities or what have you—has to pay the equivalent charge to what domestic producers are paying. All it's doing is levelling the playing field.

[Translation]

**Eric St-Pierre:** Premier Smith, in the previous hour, we heard from Clean Energy Canada. According to that organization, between 2025 and 2030, approximately half a million jobs in the low-carbon energy sector or the renewable energy sector could be added to Alberta's economy. Do you think Albertans would like to have that half a million jobs in those sectors? What is your opinion on that?

[English]

**Hon. Danielle Smith:** We have committed to bringing a sustainable level of wind and solar onto our grid. To do that, we have to have natural gas as a backup. When solar works only 10% of the time and wind works only 30% of the time, you need to have something that works the rest of the time.

That's part of the reason that we coupled those two things together. Yes, I think there's support for that approach.

[Translation]

**Eric St-Pierre:** If I understand correctly, you support adding jobs in the renewable energy sector.

[English]

**Hon. Danielle Smith:** Yes, and I support the creation of jobs in, importantly, natural gas, because when the wind doesn't blow and the sun doesn't shine, you need something to keep the lights on. Having natural gas as our baseload and then being able to supplement that with renewable energy is the model that we're moving towards.

[Translation]

**Eric St-Pierre:** Merran Smith, can you tell us about the Alberta moratorium on renewable energy? You mentioned in your testimony that \$3 trillion has been invested in renewables. We know that the provinces have a considerable impact on climate policies. What are your comments on that? Can you tell us if this moratorium has had any impact on Alberta's 2030 targets?

• (1255)

[English]

**Merran Smith:** I would say that what we hear from the investment community globally is that what they want is stable, predictable policy. Things like a moratorium on renewables sends the wrong signal and chases that money away. British Columbia has now announced two new calls for power, and Ontario has been announcing calls for power, including energy storage. What we've seen is that millions and billions of dollars are going to those jurisdictions to build out that new clean energy infrastructure. This includes supporting Canadian companies that are developing new types of storage technology.

I have to say that there are some very impressive companies using storage. For example, in Vancouver, there's Invinity Energy Systems—

**The Chair:** Thank you, Mrs. Smith.

[Translation]

Thank you, Mr. St-Pierre.

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

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

My question is for Premier Smith.

Ms. Smith, I would ask you to answer the question and not use your communication tactics to unfortunately use up my speaking time.

Dawn Farrell, the former CEO of Trans Mountain, the pipeline that cost Canadian taxpayers \$40 billion, testified before this committee. She said she believed that a pipeline transporting oil from the oil sands was helping fight climate change. Do you agree with her?

[English]

**Hon. Danielle Smith:** We call it the oil sands, and the Trans Mountain pipeline is actually giving us some of their expertise to build the plan for a new pipeline to the northwest coast of B.C.

[Translation]

**Patrick Bonin:** Premier, I'll repeat my question: Do you think a pipeline transporting oil from the oil sands helps reduce greenhouse gas emissions? You're talking about pipelines, while we're talking about reducing greenhouse gas emissions.

[English]

**Hon. Danielle Smith:** Yes, I think it does, because we have a lot of non-combustion uses for bitumen, including asphalt, carbon fibre, graphene—which can go to make batteries—and petrochemicals. Not every portion of a barrel is combusted, and that's part of the reason that we have invested tens of millions of dollars in looking at new uses for oil. We already have 6,000 uses, and I'm sure we will find more.

[Translation]

**Patrick Bonin:** Okay.

Do you know that greenhouse gas emissions from oil sands production are higher than all of Quebec's greenhouse gas emissions?

[English]

**Hon. Danielle Smith:** This is why we need to do the Pathways project, so we can do carbon capture, utilization and storage and direct air capture, as well as bring new power sources onto our grid to be able to decarbonize. That's the Pathways project, to get to net zero by 2050.

[Translation]

**Patrick Bonin:** Okay.

You talk a lot about 2050, but does Alberta have an absolute greenhouse gas emissions reduction target for 2030?

[English]

**Hon. Danielle Smith:** We will move as fast as technology allows us to, as I mentioned. We've done a direct air capture project, and it's already beginning to reduce it in a new way.

[Translation]

**Patrick Bonin:** Again, that's not what I asked you, Ms. Smith.

Does Alberta have a 2030 greenhouse gas emissions reduction target?

[English]

**Hon. Danielle Smith:** We have a 2050 target.

[Translation]

**Patrick Bonin:** Okay. I gather, then, that Alberta has no targets for 2030.

Are you in favour of an oil or gas pipeline going from the west and through Quebec?

[English]

**Hon. Danielle Smith:** I think Quebec should develop its own natural gas resources and use them not only to wean itself off American dependence but also to export to Europe. We'd be happy to help them develop the ability, the technical capacity and the regulatory capacity to do that.

**The Chair:** Thank you, Premier Smith.

[Translation]

Thank you, Mr. Bonin.

That brings this meeting to a close.

I thank the witnesses for being here. I apologize if I had to cut them off.

[English]

No, we're not doing another round.

**Merran Smith:** Thank you very much for your time.

**Christopher Bataille:** Thank you.

**Hon. Danielle Smith:** Thank you.

**The Chair:** The witnesses may go.

● (1300)

[Translation]

The next committee meeting is scheduled for Monday, October 27, when we will hear further testimony on this study.

[English]

My thanks to all the members for today's meeting.

The meeting is adjourned.





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