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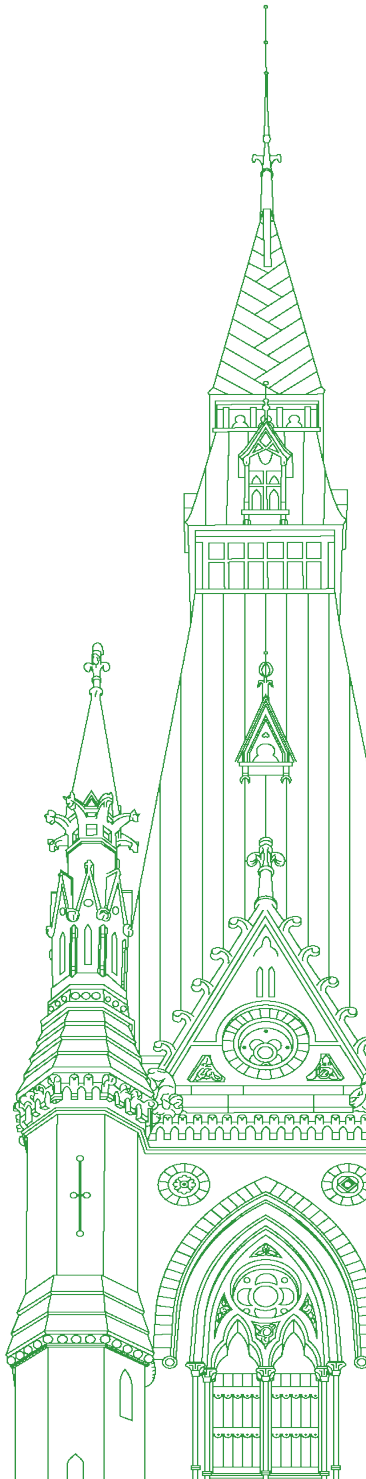

Chair: Terry Duguid

Standing Committee on Natural Resources

Tuesday, March 24, 2026

● (1100)

[*English*]

The Chair (Hon. Terry Duguid (Winnipeg South, Lib.)): Good morning, colleagues. Let me call this meeting to order.

I will start by acknowledging that we are meeting on the unceded territory of the Algonquin Anishinabe nation.

Colleagues, I will remind you that all comments should be addressed through the chair. You know the routine.

Pursuant to Standing Order 108(2) and the motion adopted on Thursday, September 18, 2025, the committee shall resume its study of Canadian energy exports.

I would like to welcome our witness for this first hour, Mr. Natan Obed, president of Inuit Tapiriit Kanatami.

Welcome, Mr. Obed. You will have five minutes for your opening remarks, after which we will open the floor to questions.

Natan Obed (President, Inuit Tapiriit Kanatami): Good morning, everyone. It's an honour to be here.

Nakurmiik, Mr. Chair. I also recognize Vice-Chair Simard. I understand that Vice-Chair Stubbs is not with us today, but I recognize her as well.

Inuit Tapiriit Kanatami is the national representational organization protecting and advancing the rights and interests of Inuit in Canada. There are approximately 70,000 Inuit in Canada, the majority living in four regions collectively known as Inuit Nunangat. These regions are the Inuvialuit settlement region in the Northwest Territories, Nunavut as a jurisdiction but also as a self-determining region, Nunavik in northern Quebec, and Nunatsiavut in the northern part of Labrador.

Inuit Nunangat has 51 communities and encompasses roughly 40% of Canada's land mass and 72% of its coastline. It holds approximately 34% of Canada's fresh water. It must be understood that we are either owners or co-managers of 40% of Canada's land mass. We also, in the marine area, have provisions in our agreements that allow for co-management of that marine space. Canada is an Arctic state because of Inuit Nunangat, and our constructive arrangements with this nation-state underpin Canada's Arctic sovereignty.

Because of these facts and the ways in which we have worked with Canada to form a part of Confederation, we have a significant role to play in the conversation we are having today. Discussions about energy projects that are aimed at export are not new to Inuit. In fact, two of the four modern treaties that I referenced were highly influenced by such projects. The James Bay and Northern Quebec Agreement, which now comprises Nunavik, was born from the government's decision to move forward with the James Bay hydroelectric project. The negotiations ensured an agreement in which indigenous rights were protected and upheld as government and industry looked for certainty on development.

Similarly, the Inuvialuit Final Agreement was heavily influenced by the Mackenzie Valley pipeline and the inquiry in regard to the pipeline's path to completion. The pipeline's inquiry recommendation to proceed only after settling indigenous land claims and conducting further environmental studies is foundational to how government and industry must engage, and it is also a foundation for the way Canada presents itself today.

As Canada looks to expand energy exports and invest in major infrastructure projects, the commitments made within these agreements cannot be forgotten or ignored. Further, initiatives that may impact Inuit or our lands, waters and ice must be conducted in full partnership in accordance with our modern treaties and the United Nations Declaration on the Rights of Indigenous Peoples.

In 2022, indigenous domestic income reached $60.2 billion, and indigenous entities were partners or beneficiaries in nearly 20% of Canada's electricity generation infrastructure. Inuit Nunangat provides a unique opportunity to develop and strengthen energy production and resource development. Despite this potential, there are significant infrastructure deficits that must be overcome. Further, greater investments in infrastructure and Arctic security will only increase the need to access energy, resources and critical labour. ITK has identified 79 priority projects for our communities, including enabling infrastructure projects that support the growth of energy export.

Currently, 89% of Canada's energy exports go to the United States. Whenever Canada considers diversifying its energy exports and thinks about Inuit Nunangat and its pathways, especially the marine pathways through Hudson Bay or Hudson Strait, we have to always understand that these are not just Inuit lands and waters. They are also essential places for our wildlife and for transit among our communities. In places where there is sea ice for up to nine months of the year, these are our highways, and the interruption of our highways is akin to the interruption of highways across Canada.

● (1105)

With the growing ambition of Canada to be an energy leader, especially in the creation of pipelines or new markets, we want to also be a part of the consideration of Canada's resources. Whether it's hydroelectricity, oil and gas or emerging energy technologies for the minerals for renewables or for uranium, Inuit Nunangat will be a key consideration for this country in the way in which it thinks about its energy future and energy exports.

I look forward to the conversation.

The Chair: Thank you, Mr. Obed. It's great to have you for a full hour.

I know my colleagues are anxious to ask questions and make comments, and we are going to start with Mr. Clark for six minutes.

Oh, I apologize. Where did my...? The clerk stole my sheet.

Some hon. members: Oh, oh!

The Chair: We'll start, as we always do, with the opposition. You see, I've been accused of bias already, but I'm not biased. I'm your neutral chair.

We have Mr. Malette, followed by Mr. Clark and then Monsieur Simard.

Mr. Malette.

Gaétan Malette (Kapuskasing—Timmins—Mushkegowuk, CPC): Thank you.

Thank you for taking the time to meet with us, Mr. Obed.

I believe in one of your statements you highlighted that none of the Inuit communities you represent are connected to the North American power grid, so my question is this: What are the economic and probably social consequences of this isolation for Inuit communities today?

Natan Obed: It's true. We have 51 communities, none of which are connected to any north-south power grid. Up until only a few years ago, it was almost 100% diesel power generation in our 51 communities. We have had some hydroelectric projects come online over the last five years, especially in northern Quebec, and we also have renewables such as wind and solar that now account for approximately 18% of our energy generation in our communities. We've talked a lot about bringing Inuit Nunangat into Canada. A way to do that is by ensuring that we have north-south links for essential infrastructure such as energy, as well as for ports, roads and aviation infrastructure.

We have a cost of living that is two to three times that of southern Canada. Also, the cost of energy is sometimes even more than three times that in southern Canada, as all of our energy has to be imported, usually by marine sealift and usually once per year, into our remote communities. This means that housing costs or just general costs for running businesses are almost too high to bear.

If you're paying thousands of dollars to heat your business every month during the winter, it makes it really hard for you to run a successful business. If you're looking to heat a private home.... Our median income is $70,000 less than non-Inuit who live within our homeland; it's $32,000 versus $100,000. This means that people are living in poverty or that people are food insecure.

Mostly it creates this negative loop where, for any opportunities or any advantage we might have for this country, Inuit cannot share incrementally in the growth of Canada in the same way that many other Canadians can, whether it be in growing the economy, our education or health outcomes, or the connectivity outcomes that many Canadians can think of when thinking about their own futures. With regard to our connectivity, we are largely connected through satellite technology, as of right now, largely through Starlink.

We're hoping that the Government of Canada can work with us on solutions to connectivity and these other challenges. However, right now it just means that Inuit Nunangat is almost an entirely different jurisdiction from the rest of Canada.

● (1110)

Gaétan Malette: Thank you.

On exactly what you've said, in your view should the federal policy prioritize grid expansion into the north, or should they focus instead on localized off-grid energy systems, or both, for access in Nunavut?

Natan Obed: There is a project that is one of the 17 we have put forward to the Major Projects Office. It's the the Kivalliq hydro-fibre project, which would bring hydro from Manitoba to the central Nunavut communities, to places like Rankin Inlet, Arviat and those areas. We see that as a potential really positive step in ensuring that we can get our communities off diesel, but we'd also have the energy that is necessary to build our communities, whether it be through natural resource projects or just the natural expansion of our communities.

We also have been working with government grants to ensure that we have diversified our energy outputs. Even if we still have diesel, if we have wind and solar to supplement it, that gives us a slightly lower cost. Also, it gives us redundancy, so that we're not dependent on a single source.

All those things are important within our small communities, but we also understand the national importance for not only the production of energy but also for energy export. We remain willing and hopeful that we can play a significant role in doing that.

I'll also reference the M-18 project, which is a project in Tuktoyaktuk, or the area of Tuktoyaktuk, in the Northwest Territories, in our Inuvialuit region. It's just coming online. It has a 125-year life expectancy and it is also hoping to link in with the needs of the newly discussed forward operating site in Inuvik. We hope to also have energy solutions for the Government of Canada as militarization and sovereignty considerations appear.

Gaétan Malette: Thank you.

The Chair: Mr. Clark, I was sorry to get you a little excited earlier, but the floor is now yours for six minutes.

Braedon Clark (Sackville—Bedford—Preston, Lib.): Thank you very much, Mr. Chair.

Mr. Obed, thank you so much for being here today. Over the course of this energy exports study we're working on, we've heard from the Assembly of First Nations, the Métis National Council and now from you. I think it's really important that we've heard from the three indigenous communities in Canada. Thank you for being here and for sharing your perspective.

You talked a lot about infrastructure. I think you mentioned 79 priority projects across the region. Correct me if I'm wrong, but your testimony seems to suggest that there's tremendous potential for energy production and energy exports, which are the focus of the study. The key to unlock that resource and that potential prosperity is enabling infrastructure independent in some ways of the energy. Could you give us some examples of what kind of infrastructure we need to to unlock in order to access the benefits and the resources that are there?

● (1115)

Natan Obed: I think this has been an essential question for the last 50 years. Canada's north, our home, Inuit Nunangat, has always been a reason to hope for the Canadian economy, especially for natural resource extraction. In many parts of our homeland, oil and gas really haven't been the key focus. It's often been critical minerals or deposits, like iron ore in Baffin Island or nickel and cobalt in my home area of Nunatsiavut. Now it's gold in the central part of Nunavut.

Moving forward, especially when we're thinking about renewable technology and nuclear, our homeland may have resources that will be essential for the production of those alternative energy sources, and those minerals may be exported as well. There might be export through Hudson Bay or Hudson Strait. Also there's the Beaufort Sea. There have been moratoriums on oil and gas exploration over the last 10 years. Perhaps in the future, that will change, and maybe that will be of strategic importance to Canadians and to the Inuvialuit.

At this point, we have infrastructure that largely has been built by Cold War interests, not by economic interests or community development interests. Most of our hub communities are based on the Cold War-era infrastructure built in the 1950s and 1960s by the U.S. and Canadian militaries to ensure the distant early warning sites were maintained and upheld. We've used that until now, but we now need the second phase of that north-south connection, whether it's through deepwater ports or through roads like in the Grays Bay road and port project, or through essential infrastructure like the Iqaluit hydro project.

All of those things can work together to ensure that our economies can merge and that we have an opportunity to benefit from whatever opportunities Canadians want to benefit from, but in a systemic way.

Braedon Clark: It's very interesting that you mentioned the Cold War legacy of the 1950s and 1960s. Now, for the first time perhaps, or in the largest way since that time, we're seeing a reinvestment in defence particularly in the north in Canada. One of the areas where I think there is potential from an infrastructure standpoint is on dual-use infrastructure.

From your perspective, what lessons can we learn from decisions taken in the past? Then, in the next five to 10 years, as we invest billions of dollars of new infrastructure money across the north, we can have infrastructure that serves not only a defence purpose, but also other purposes in areas where it makes sense, like energy exports that we've been talking about here.

Natan Obed: Canada's sovereignty, its territorial integrity, is symbiotic with Inuit self-determination and the sustainability of our people. We're the ones who know the land. We're the ones who live there. Virtually every square kilometre across Inuit Nunangat, our homeland, is used and occupied by Inuit. The Canadian military footprint is much less, I would say, and it is also seasonal. I see that as a strength, and it's an asset that Inuit are glad to share with Canada at this time.

When it comes to investment in the militarization of the Arctic, again, thinking about defence and security, these billions of dollars that have already been pledged and the billions more to come have to serve the purposes of not only protecting Canada from threats that come from an Arctic space, but also ensuring that we have sustainability of our communities. This could be done by ensuring that the water and sewer systems in the NOSH communities are upgraded to ensure that they are at a general standard. Airports and runways could be improved so that larger airplanes can land not only to resupply communities on a day-to-day basis, but also to respond to any national emergency when it comes. Deepwater ports could be improved to ensure that Arctic military operations or sealifts can happen in a more concise and cheaper way.

These are all things that help our communities, not to mention education and health care, which will be key considerations for integration in the coming years as well.

● (1120)

The Chair: Thank you both.

We will move to Mr. Simard for six minutes.

[*Translation*]

Mario Simard (Jonquière, BQ): Mr. Obed, we saw each other not long ago—if I recall correctly—when you appeared before the Standing Committee on Foreign Affairs and International Development.

I want to talk about an aspect of the discussion that we had at the time. I told you about what we're doing here at the Standing Committee on Natural Resources. We're currently working on an energy exports study.

We have quite a paradox here, as you showed in your opening remarks. At a time when Canada wants to build infrastructure right in your area in order to export energy, we're facing an infrastructure deficit and completely unaffordable energy costs.

I don't want to add to the woes. However, I would like you to tell me how we can reconcile the two and how we can meet your vital need for infrastructure. This need for infrastructure could help Canada to export more energy. I would also like to know how we can provide affordable energy to the northern communities.

If you have any initial thoughts on the topic, I would appreciate hearing them.

[*English*]

Natan Obed: Each one of our 51 communities has thought about how to reduce dependence on diesel and how to lower energy costs in communities. Often our communities are in jurisdictions where there won't be major projects in a town of 1,000 people or 500 people. They won't just replace all our energy grid for, say, the 17 communities in Nunavik or the 26 communities in Nunavut. There just aren't the resources.

We've had to think about incremental positive change and how to diversify our energy supply within our communities through wind or solar. We thought about small nuclear and about hydro, but all of these potential solutions do come with costs that are new costs. We also don't imagine that we can just shut down our diesel power generation, because we are isolated. Each one of our communities is its own little island of energy capacity. We wouldn't want to leave our communities without any sort of backup, if at all possible.

Over the years, there have been many different conversations about how to make our communities more sustainable and to lower the cost of energy. The reality for people in these communities is that we're adjacent in many cases to massive hydroelectric projects or massive energy projects that are pumping 10,000 times more power than we would ever need every day, but we have absolutely zero access to it. We get no benefit from any of the benefits that come from those major projects.

That has been the frustration of many Inuit and communities for decades. Government is always thinking about how it can ensure that it does the most it can for small communities, but it also has limitations as well. Moving forward, we need to see a balance between the terms and conditions of these major projects and the benefits to the small communities, adjacent communities, to ensure that there is some level of equity and respect for the lands and areas in which these larger projects operate.

I'll give you an example. If fibre optic cable is going to be laid in strategic locations across our homeland to serve defence purposes, this is a perfect time to be able to provide equity to Inuit communities to ensure that fibre optic is provided to our small communities along the way. This is perhaps the cost of doing business or the cost of equity in this country.

Canada is a remarkable place. There's so much rural area in this country. It's not as if the federal government has never had to consider spending more money to ensure equity because of remoteness. We're asking now to be brought into that conversation in a meaningful way, whether it be connectivity or whether it be energy.

● (1125)

[*Translation*]

Mario Simard: You just said that we need to strike a balance.

Doesn't the major project that the government seems to want to embark on to build infrastructure to support trade corridors give you an opportunity to connect to energy sources? I'm thinking, for example, of critical minerals. However, if we want to develop these sectors, we'll need the associated infrastructure. This could be an opportunity for you.

I would like to hear your comments on another matter that has come to the committee's attention in the past. It concerns the much-vaunted Indigenous Loan Guarantee Program. We seem to be hearing about the current lack of expertise in this area and the shortage of people who can take all the steps involved. Moreover, many hurdles must be overcome to gain access to this type of program.

[*English*]

The Chair: Give a quick answer, please, Mr. Obed.

Natan Obed: In relation to the loan guarantee fund, we're pleased that the Government of Canada has put aside such a large amount of money for major projects. We had hoped there would be a distinctions-based consideration for those funds so that there would be targeted funds for Inuit, first nations and Métis. That does not seem to be the case.

This is a new consideration from the Government of Canada. We're used to working with grant funding through budgets or other means. There needs to be a larger outreach from the Government of Canada and a larger consideration for how indigenous peoples can think about this loan fund in the suite of different supports that we have for economic development and the sustainability of our communities.

The Chair: Thank you, both.

We're going to go to our second round. We'll have Monsieur Martel, Mr. Hogan and Monsieur Simard.

Go ahead, Mr. Martel.

[*Translation*]

Richard Martel (Chicoutimi—Le Fjord, CPC): Thank you, Mr. Chair.

Mr. Obed, thank you for joining us.

I would like to know what role you see for the Inuit regions in supplying Canada and its international partners with clean energy in the future.

[*English*]

Natan Obed: We have short-term and long-term hopes. The short-term hope was always that we would somehow get off diesel. That has been something we've worked on over the past 10 years, but we still have a very long way to go for our communities. We want to be leaders in climate action. Diesel is one of the most polluting ways to provide energy to communities. We hope we can still continue to work with the Government of Canada and with the jurisdictions in which we live to get off diesel.

We also have solutions for community energy needs that we hope to develop with the government. The two that I'll recognize again are the M-18 project in the Inuvialuit region, which would supply natural gas to communities in that region. It would also supply natural gas to any of the military's interests. There's also the Kivalliq hydro-fibre link project in the central part of Nunavut and the Iqaluit hydro project, which was just announced. These are just a few of the many different proposals or ambitions that our Inuit communities have to get off diesel and to provide sustainable and cheaper forms of power.

The role that we'd like to play within the export.... Obviously, right now we are not an Atlantic or Pacific route for energy export, but as the world looks north and as climate change makes the Northwest Passage and other areas of passage within the Arctic more feasible from an economic standpoint than ever before, we know that these complex considerations are coming to us. We would like to work directly with proponents, wherever the jurisdictions might be in this country, to ensure that if there are LNG or other oil and gas exports through our homeland, we have agreements in place and that we meet all of the necessary requirements under our land claims for environmental assessments, but that we are also meaningful partners in that work.

● (1130)

[*Translation*]

Richard Martel: You certainly provided some examples. However, I'm still wondering the following. How can we reconcile the ambition to increase energy exports to the world with the pressing need to reduce diesel dependency in Inuit communities?

[*English*]

Natan Obed: These are concurrent challenges and ones that have not necessarily been linked in the past or present. I understand the essential need for this country to diversify its export, to find new markets and to ensure that this country is doing all it can to secure its future, whether it be economic or from a defence and security perspective.

We have unfinished projects in the sustainability of our Inuit Nunangat communities. We have an infrastructure deficit that goes beyond energy infrastructure. We also have willing partners in sovereignty, defence and security.

The role Inuit communities play is an essential one in this country. I look forward to working with the Government of Canada, but also with all jurisdictions in which Inuit live, in order to ensure that—in this moment, when so much focus is on the Arctic—we can do what we can to create sustainability for our communities.

[*Translation*]

Richard Martel: According to the Inuit, which type of energy—natural gas, nuclear power, hydroelectricity, wind power or solar power—has the greatest potential for future sustainable exports?

[*English*]

Natan Obed: We don't necessarily have all the geological understanding of oil and gas reserves across our homeland—40% of Canada's land mass—largely because it has never been feasible for the state to pursue those interests. In the Beaufort Delta and the Beaufort Sea, there are some areas known to be rich in oil and gas. Up until now, it has not been in Canada's interest to pursue those.

Regarding emerging energy, whether it's about the world's greater dependence on nuclear or our known uranium deposits, especially in Nunatsiavut and the Baker Lake area of Nunavut.... Those could end up being conversations, again, for our jurisdictions.

Also, there are rare earth elements and other critical building pieces to alternative energy. Those are the other exports that we now know are in our homeland.

The Chair: Thank you.

We are going to Mr. Hogan for five minutes.

Corey Hogan (Calgary Confederation, Lib.): Thank you.

Thank you, Mr. Obed, for being here.

Canada spans 5,500 kilometres east-west but 4,600 kilometres north-south. We're almost as tall as we are wide. Our future, which is a shared future with the Inuit peoples, has always been in the north. I think this is a really important conversation we're having today, in particular because the north resists. It resists easy development. It's a humbling force. Building our future in the north is going to take co-operation. It's going to take foresight. There is an incredible opportunity if we can unlock it by working together. There are energy solutions in Inuit Nunangat that could support Canada and the world.

Mr. Martel asked you a number of questions that I was going to ask, in terms of how you see that future unfolding, so I won't dwell there too much. I want to ask less about specific projects.

When we talk about 20 to 30 years from now, what is the energy future you want for Inuit Nunangat in power generation, domestic integration and its role in export? Paint us a word picture for a second.

● (1135)

Natan Obed: First and foremost, it's been our desire to reduce our dependence on diesel for 30 years. If we could have a mix of clean energy solutions, whether it be hydro, wind, solar or others.... We still have not seriously considered small nuclear, but perhaps as technologies improve there may be an opportunity there. If we could have clean energy solutions within our communities, that would drive an economy that isn't just local anymore. We could have major Canadian businesses operate within our homeland and be able to provide the export of not only energy but also other goods and services that right now just aren't possible.

The feasibility for many of the natural resource projects across our homeland depends upon them being completely independent of any Inuit community or any Inuit supply chain. They are their own things. Flights go from St. John's directly to Baker Lake or Rankin Inlet to supply the mines there. Food rations come in from Manitoba, Ontario or Alberta directly to remote mines. We'd love to see more integration within our economies. We'd love to also be a player in the world economy, as we are now in certain areas, such as the fisheries, iron ore, nickel, cobalt and gold.

We do have a footprint in some of these very Canadian enterprises where we export. In the future, hopefully, especially with the Northwest Passage and with more essential infrastructure being built, we can make agreements with other parts of Canada to ensure that any export opportunities we have as a country can also include pathways through our homeland.

Corey Hogan: That does lead pretty nicely into the next question I want to ask. It's about climate change, something we haven't talked a lot about yet, and about how that changes the landscape and what opportunities and threats it presents to Canada and the north. I'm wondering if you want to share with the committee your thoughts on that. I do think about it particularly in terms of 51 individual communities who will literally be facing rising tides and the risks that presents.

Natan Obed: Yes. It also gives me a chance to talk about the great care with which we want to do any of this for our environment and for all living things within it. We are very fortunate to live in a beautiful homeland where there are still polar bears, belugas, narwhals and other species that are found almost nowhere else on earth. We've lived side by side with these species for millennia. We hope to continue to work, in anything we do to support our communities, or for Canada, side by side with our environmental commitments.

Climate change isn't just about temperatures getting warmer. Extreme weather events are now a norm in our communities. They are not only a risk to us, to our people; they are also a risk to any of the development and any of the work we want to do in relation to energy or energy exports within our homeland. We're going to have to ensure that we have spill response and that we have corridors that are well understood. We still have a lot of mapping to do of seabeds and areas to ensure navigation. But first and foremost, we need to ensure the safety of our homelands, our people and anyone doing business in our homeland. We need to mitigate and adapt to the changing threats due to climate change. We're seeing our regions warm three to four times the national average. Our homeland has been transformed. But we still have resilience, and we still have hope to be sustainable within it.

The Chair: Thank you both.

[*Translation*]

Mr. Simard, you have two and a half minutes.

Mario Simard: Thank you.

Mr. Obed, we talked about many things. I understand the challenges. We just talked about the impact of climate change on your communities and about energy trade corridors. We spoke earlier about energy sources and energy costs, which are quite high in your area.

If we could set one or more priorities right now for better community maintenance and development, what might they look like?

● (1140)

[*English*]

Natan Obed: Our communities still have very essential needs, the need for health care, food, housing and education. We're trying to work with all the jurisdictions we live in as well as the federal government to ensure that we can do better moving forward in the future.

Among the essential building blocks in our modern treaties is the ability to create business and business development that will, in turn, fund our self-determination, self-governance and the interventions we want to give to our communities. It is all hands on deck, whether it be through the social policy considerations we are still working with this government on or through economic and business developments, which we hope will have a positive influence in our communities.

These larger things coming to our homeland are not things people necessarily think about every day. There's survival that people are still focused on, in many cases, and the real desire to keep our culture, language and society thriving. Canadian or diplomatic concerns, whether they're about Arctic nation-states or the world, are things that our organization also tackles, but if you were in Baker Lake or Kimmirut today, people would want to talk about housing, affordability, food and poverty.

It's up to us to try to figure out how to ensure that their needs are met, but also that opportunities are there for people. I think that's universal across this country.

The Chair: Thank you, both.

We'll go to Mr. Malette for five minutes, followed by Mr. Guay for five minutes to wrap up.

Gaétan Malette: Mr. Obed, we've asked you many questions. I understand that there are going to be different areas. It could be hydro or solar. Among the 17 projects, where does the Manitoba project stand? Is it one of your priorities?

The main question, really, is this: What would you ask of this committee? What would you like to tell us? We've asked you questions about the future, but what would you like to ask us, or what should we be doing to help you get to where you want to be?

Natan Obed: I'll answer the first question.

The Kivalliq hydro-fibre project is an Inuit-led project from proponents in Nunavut. It is one of our 17 priority projects. I work on behalf of all Inuit, and for each of these 17, I'm championing in different places and in different ways. This has been a project that has been ongoing for over five years now, with a lot of focus on outreach to the federal government. Manitoba is onside, the Government of Nunavut is onside and Inuit and Nunavut are onside. We really hope that we can get this one across the finish line. It would be transformative.

Not only that, there is a new university that will be opening up in 2030. The Inuit Nunangat university will be in Arviat, which is one of the communities that would be serviced by the Kivalliq hydro-fibre link.

As for what I might want to say to all of you, the relationship between Canadians and indigenous peoples is complex, and it often gets reduced to slogans or reduced to black and white. The idea that indigenous peoples or, in this case, Inuit might want to participate or might not want to participate in certain energy projects or energy export is something that I think is very natural as a part of this democracy.

I know that in the past there has been this spectre of veto that is often thrown around in relation to indigenous peoples and natural resource extraction, but I'd like to say that I see the same concept being used today when different jurisdictions in this country are saying “yes” or “no” to pipelines through their jurisdictions. It is a natural part of doing what's best for your jurisdiction.

Inuit have a democracy as well. We'll show up and we'll consider, but we will do all we can to ensure our best interests are upheld and that our partnerships are carefully crafted and are in mutual interest. That is where we are. It's a wonderful place to be for Canada as a nation-state, in relation to just about any other nation-state in the world where there are indigenous people. There are no other countries that have taken the leadership on the implementation of the UN declaration, and there are very few countries that have a section 35 recognizing the rights of the specific indigenous people.

I want to say to everyone that this is an asset. I'd love to be a part of leaning into how we can make this work, rather than the fear-based consideration of what will happen if indigenous people oppose. I just want to leave that with all of you.

● (1145)

Gaétan Malette: I want to come back to the Manitoba project. You've said that everyone is on board. What could we do? What's the last mile to be done? What can this committee do? Would you like to tell us?

Natan Obed: I think that if the committee is summarizing or making findings in this particular deliberation, supporting energy infrastructure in Inuit Nunangat and referring back to the previous pledges of getting our communities off diesel can be a part of a natural evolution rather than something that is forced in by an overriding of political will, if there is a way to reference the past commitments that then link very neatly into this particular project.

It also fits within the project of diversifying Canada's exports. That Manitoba hydro is probably going somewhere right now. If it is an excess use to Manitoba, perhaps it's going south. If it goes north, that is I think a net gain for this country.

The Chair: Thank you.

Our final speaker this morning for this round is Mr. Guay for five minutes.

Claude Guay (LaSalle—Émard—Verdun, Lib.): Thank you, Mr. Chair.

Mr. Obed, thank you very much for being here.

First, I want to commend you for the approach and the desire to work together on this opportunity that we have for the Government of Canada and with your nation going forward.

I have a couple of questions that we haven't discussed thus far. We talked a bit about climate change and climate warming. There's going to be more traffic in the north. There's a lot of discussion about the port of Churchill and traffic through Hudson Bay and the Northwest Passage. A lot of the first nations you represent are distributed in the north in coastal communities. How do you see that going forward and what should we be careful about?

Natan Obed: We are in an advantageous position in that we have settled treaties. For some parts of this country, especially in British Columbia, there is still a lot of work to do on settling treaties. For ours, we are now in the implementation phase, and each one of these treaties has co-management bodies that are appointed from the federal government, the public government jurisdiction and from the Inuit, or, if there are overlaps, perhaps there are first nations interests as well.

Those bodies can be essential in ensuring that, for any of the projects we do that will increase ship traffic going through places where ships have not gone before, especially in the Northwest Passage, we do all we can to mitigate the worst effects, ensure that our environmental assessment processes are followed and that we have community buy-in for the work that we're doing.

We've already seen over the last 20 years a tenfold or more increase in ship traffic across our homeland, whether it be private vessels, cruises or military or foreign vessels that are going through unannounced. This is a continuing trend, and we don't expect it to stop.

The consideration for our communities is that we want to be included but not overwhelmed by all of this new traffic and all of this new activity. In the past, basically, as I've already mentioned, there have been fly-in and fly-out operations or a complete bypassing of our communities in any of the considerations for major business or major military expansion in the Arctic. We want to be included in these and have some auxiliary benefits as business, trade and other opportunities come to our homeland.

I'll give one example, which might seem far afield but I think should resonate. There are fish quotas for shrimp, for turbot and for other species in our homeland. Virtually none of that catch is offloaded in our homeland, and none of it is distributed to our people at all for sale. All of the markets are either in the U.S. or Asia. We already have systems where we are catching food and we're shipping it thousands of kilometres away to feed other people while we have a 68% food insecurity issue within our homeland.

We don't want to repeat those same types of structures across all the different business lines within Inuit Nunangat, our homeland. I hope that we can actually do the reverse and integrate our communities into any of the considerations for any development or any positive projects that are coming down the line.

● (1150)

Claude Guay: Thank you.

On a different topic that I think we talked about earlier, I want to give you a chance to expand. There's no one-size-fits-all for participation, from equity to job creation to co-ownership, in terms of benefits of involving first nations. Is there a preference? Is it all of the above? Someone asked about the indigenous loan guarantee, but you mentioned it's only one dimension, so maybe you could expand on the preferred methods of participation.

Natan Obed: There are also targets that the Government of Canada has publicly stated about the percentage of RFP responses that are indigenous. We would love to have more of a distinctions-based consideration for those government ambitions as well so that there is Inuit, first nations, Métis, or even a geographic consideration such that, if there are opportunities in Inuit Nunangat, Inuit are the indigenous peoples who benefit from these these programs.

Our land claims, again, and all of the economic development business that flows through the provisions in our land claims are also essential for the Government of Canada and any other business partners to understand and to utilize when we're moving forward with opportunities within our homeland as well. Our modern treaties are set up in a way that the.... We went from having aboriginal title to 100% of our lands to a thoughtful exchange of that aboriginal title to fee simple title and then benefits within the larger settlement area. The considerations for economic development and for business are already baked into the idea of how we made a deal with this country.

Now we're in a moment where we can realize some of that. Some of the economic development opportunities that were never possible in the 1980s or 1990s are suddenly at our doorstep. We need to now recognize that we've already done our homework and, for the Inuit context, ensure that the economic development and business aspects are upheld and embraced.

The last part is that the complexity of the relationship between not only the federal government but also provinces, territories and the different first nations, Inuit and Métis who live and have rights within these jurisdictions should be first in the minds of those who are wishing to do business with us. You're not going to go to a southern Alberta band and ask them to do a joint venture on a project in north Baffin in Nunavut. There are a lot of people who really don't know that complexity, who just see indigenous, check a box, and you're done. We need to ensure that there is thoughtfulness and also accountability in all aspects of the work we do with one another.

● (1155)

The Chair: Thank you.

Colleagues, that brings our time to an end with this witness.

Mr. Obed, you mentioned the words “thoughtful exchange”. I think that's exactly what we had over the last hour. We really appreciate your being with us and portraying those important priorities for Inuit very clearly today.

Thank you, colleagues, for that.

Thank you, Mr. Obed, on behalf of the committee.

We will be breaking for about five minutes while we prepare for the next panel.

● (1155)

_____(Pause)_____

● (1205)

The Chair: Colleagues, welcome back. We're going to resume our meeting.

I'd like to welcome our witnesses on this second panel.

We have with us Marie-Christine Doran, full professor at the School of Political Studies, University of Ottawa.

We have, from the Canadian Nuclear Association, George Christidis, president and chief executive officer.

Online, we have Bryan Moon, president of Hydrogen Canada Corp., and his colleague Brendan O'Connell, vice-president, business development.

All witnesses on the screen have conducted a mandatory witness onboarding test.

I'll just make a few comments for the benefit of our witnesses, particularly our new ones.

Please wait until I recognize you by name before speaking. All comments should be made through the chair.

You will each have five minutes for your opening remarks, after which we will open the floor to questions.

Professor Doran, you have the floor for five minutes.

Marie-Christine Doran (Full Professor, School of Political Studies, University of Ottawa, As an Individual): Thank you, Mr. Chair.

[*Translation*]

Honourable committee members, thank you for this invitation.

I just gave a course at Global Affairs Canada on new trade opportunities for Canada, particularly in Latin America, my region of expertise.

In general, Canada is experiencing an unprecedented period of opportunities for trade with Latin America, particularly when it comes to our natural resource exports and our expertise in green energy and the energy transition. These opportunities are clustered in certain countries that fortunately remain Canada's long-standing and reliable trading partners and that also remain committed to upholding international law, multilateralism and the rule of law.

In stark contrast, unfortunately, other countries in Latin America—in particular close allies of the Trump administration—are quite frankly deliberately weakening the legal framework that normally guarantees predictable and stable trade relations. The corruption indexes in these countries are also on the rise, along with violence linked to drug trafficking and repeated states of exception.

Let's look in more detail at what this means for us. Let's start with the unprecedented opportunities for Canada. The countries that remain reliable partners as middle powers committed to multilateralism, the rule of law and—it bears repeating—reliable and fair trade agreements are Mexico, Brazil, Colombia and Uruguay.

Since 2025, we've seen an unprecedented deepening of our bilateral relations with Mexico. In particular, we've seen the solid implementation of the Canada-Mexico Action Plan 2025-2028 components, backed by new resources from both governments. The Canadian embassy in Mexico and the Mexican embassy in Canada confirmed this during a course that I gave, as I told you, at Global Affairs Canada.

According to the Canadian government, Mexico is a key market for Canadian exporters, particularly in the agriculture, clean technology, energy—not oil, but green energy—mining, automotive and aerospace industries.

Mexico is a key ally. The country has risen from the 15th to the 12th largest economy in the world since 2018. It's also a solid democracy that shows great respect for checks and balances, first nations, human rights and multilateralism.

There are also new opportunities for Canada. We've been invited to join new multilateral—and I emphasize multilateral—trade agreements, such as Mercosur and the Pacific Alliance. Accepting this invitation would help to achieve the objectives of our five partner countries, which actively promote these platforms. In this respect, Canada's support for trade relations that uphold rights and international law plays a crucial role in deepening our relations with Mexico, Brazil and Colombia. Remember that Colombia is a non-permanent member of the UN Security Council. All these countries appreciate Canada's values.

It's also worth mentioning that Mexico, Colombia and Brazil recently entered into an agreement to promote trade multilateralism in response to threats from the Trump administration. We're really seeing new alliances emerging that Canada could take part in.

Now let's look at the risks. In sharp contrast, we have a polarized region. A number of other countries are no longer reliable partners for Canada. They pose a risk to our exports and investments. These countries are Ecuador, El Salvador, Honduras, Bolivia, Argentina and, perhaps, Chile and Costa Rica. We have free trade agreements with a number of these countries. Yet these countries are currently weakening or even destroying the rule of law and—it bears repeating—the regulatory frameworks needed for reliable trade.

Let's take an example. The new Bolivian president, Rodrigo Paz, eliminated the justice department. The presidency now controls all the functions of this department. Of course, this entails major risks for corruption, mismanagement and trade.

These countries also face a risk of increased violence. Paradoxically, they want to follow the example of El Salvador's president, Nayib Bukele. However, the violence has been on the rise since the implementation of states of exception and the weakening of checks and balances. For instance, Ecuador has been the most violent country in the Americas since 2023 or since the implementation of these methods.

● (1210)

According to the Global Organized Crime Index 2025, the Bukele government is also involved at high levels in new cartels, despite its fake good reputation and the fact that President Trump calls Bukele “the world's coolest dictator”.

All these countries currently governed by the far right belong to the new United States-led Shield of the Americas coalition. This point is significant for Canada. Since the proclamation of the infamous “Donroe” doctrine, which notably led to the military intervention in Venezuela, the United States' role has also had a major negative impact on Canada's trade relations.

Remember that the doctrine proclaims the right of the United States to obtain the strategic natural resources needed for its hegemonic role in the Americas and to control domestic politics. It's almost unbelievable.

In early March, the United States carried out unprecedented joint military operations with Ecuador. An agreement was signed with Honduras, which also shows the United States' desire to ensure military control of natural resources.

You can see a worrying picture in this area, which we need to keep in mind.

[*English*]

The Chair: Professor, if you could, please wrap up.

Thank you.

Marie-Christine Doran: Yes, this is my last paragraph.

[*Translation*]

Mexico and our four other reliable partners remain firmly committed to the fight against security, while upholding the rule of law. These environments seem more attractive for our natural resource exports.

I obviously recommend that Canada focus its natural resource export efforts on its partners, particularly Mexico and Brazil, by joining multilateral alliances that favour middle powers.

Thank you, Mr. Chair.

[*English*]

The Chair: Thank you, Professor Doran.

We'll go to Mr. Christidis for five minutes.

George Christidis (President and Chief Executive Officer, Canadian Nuclear Association): Thank you very much, Mr. Chair, and good morning to all members of the committee.

It's a privilege to appear before you today on behalf of the Canadian Nuclear Association. For over 60 years, the CNA has been the voice of Canada's nuclear industry. Today we represent over 200 members from coast to coast, from world-leading utilities and multinational mining companies to small suppliers and innovative start-ups. Together we form one of the most advanced nuclear ecosystems in the world.

It is critically important that the nuclear sector is part of any discussion in terms of Canada's future, because this sector is a foundational and strategic national asset. Nuclear energy plays an important role not only in our energy system, but also in our economic competitiveness, long-term energy security and environmental objectives.

This strength is built on what we have here at home. Canada has vast uranium resources, a full end-to-end supply chain, proven reactor technologies, strong research and development capabilities and global leadership in nuclear medicine. We are already demonstrating that strength through successful refurbishments at the Bruce and Darlington nuclear power stations, the next phase at Pickering and the construction of the first small reactors in the G7 at Darlington. They are all foundational to our success.

Canada is showing leadership at a time when interest in nuclear energy is growing globally. This is being driven by the need for reliable clean power, increasing electrification and a renewed focus on energy security. We are seeing strong interest from countries around the world that are looking to partner with Canada on nuclear energy development. This represents a significant opportunity for Canadian companies and for the broader economy.

To realize this opportunity, a coordinated strategic approach will be important, and continued federal leadership will be essential in supporting Canadian nuclear exports. What is needed is a more integrated, long-term approach that connects domestic development with international opportunities.

In the nuclear sector, government-to-government relationships are essential to enabling market access and building long-term partnerships. This includes identifying priority markets and aligning efforts across government and industry, while also taking a long-term approach to market development that supports both immediate export opportunities and the development of new markets over time. It also requires a coordinated approach that brings together government, industry, regulators and academic institutions to support both commercial opportunities and long-term partnerships.

We also want to recognize the important work done already by Export Development Canada and other institutions that support clean energy and major projects. These efforts are important.

As Canada looks to expand nuclear exports, strategic financial support will be important. This includes aligning financial institutions with a broad economic and trade approach to international engagement. Clear, predictable and competitive financing frameworks will help ensure Canadian companies can compete effectively in global markets.

Finally, success internationally is closely linked to our success at home. Continuing to advance domestic projects, supporting investment through tools such as the investment tax credit, improving regulatory efficiency and investing in workforce development will all be important. These efforts help to demonstrate Canada's capabilities and strengthen our position as a reliable partner internationally.

In closing, Canada has a strong foundation to build on. With continued collaboration between government and industry, there's an opportunity to further strengthen Canada's role in the global nuclear sector. The Canadian Nuclear Association is actively working with industry and governments to help identify priority markets and support Canadian engagement internationally.

We will be pleased to provide additional information to this committee.

Thank you, and I look forward to the conversation.

● (1215)

The Chair: Thank you, Mr. Christidis.

We're moving on, now, to Mr. O'Connell.

The floor is yours for five minutes.

Brendan O'Connell (Vice President, Business Development, Hydrogen Canada Corp.): Thank you, Mr. Chair.

My name is Brendan O'Connell. I'm the vice-president of business development at Hydrogen Canada Corp., an Alberta corporation. With me today is Bryan Moon. He's the president of our company.

Hydrogen Canada is looking to build a $3.5-billion world-class blue ammonia and hydrogen facility in western Canada for export to Asia. The company will take advantage of cost-effective natural gas in Canada and the relatively short, safe supply route to Asia in order to provide a secure supply of clean energy to Korea and other Asian countries. Each facility will represent up to $800 million in incremental GDP for Canada and create more than $100,000 direct, indirect and induced man-years of employment in Canada, while the Asian market can supply multiple facilities.

Since 2022, Hydrogen Canada has raised $10 million, bought land in the Alberta heartland and completed its preliminary engineering work. Hydrogen Canada's facility was going to use natural gas to produce low-carbon blue hydrogen, then convert it to liquid ammonia. It would capture more than 96% of its CO2 and sequester it in one of the commercial CCS hubs in western Canada. The liquid ammonia would be shipped to international markets in Asia via Trigon's gateway export facility in Prince Rupert, which is partially owned by local aboriginals.

Hydrogen Canada targeted the Korean market due to its commitment to using hydrogen-ammonia to decarbonize its power sector, the size of that mandated market and the fact that Hydrogen Canada has strong relationships in Korea. The government of Korea has passed legislation requiring the blending of hydrogen and ammonia in its power sector in order to reduce emissions. It has also committed to net zero by 2050. Korea still has approximately 35 gigawatts of coal-fired power, and co-firing ammonia in those plants can significantly reduce their emissions. Korea imports over 84% of its energy every day, so this is as much about clean energy as it is about gigajoules of energy. The legislated demand for hydrogen and ammonia in Korea could reach 16 million tonnes per annum by 2036. Power companies were looking to sign contracts last year.

Hydrogen Canada is in a unique position to supply low-carbon energy to Asia due in part to the low-carbon intensity of Canada's differentiated natural gas. In combination with the company's plant design, Hydrogen Canada can produce hydrogen with the lowest carbon intensity of any facility globally. Hydrogen Canada submitted its process information to a Korean agency two years ago, and that agency issued a preliminary carbon intensity rating of less than one kilogram of CO2 per kilogram of hydrogen, one of the lowest ratings globally.

Hydrogen Canada has spent the last three years developing its project. The company worked with Natural Resources Canada to develop an export strategy for an Alberta-based facility. Hydrogen Canada was recently informed that NRCan deferred plans to support a rail-based export strategy. In January, Hydrogen Canada hosted a major Korean conglomerate looking for energy opportunities in Canada. This company still sees a significant market for clean ammonia developing in South Korea, Japan and Asia more broadly. It is still very interested in supporting the development of facilities in Canada. Hydrogen Canada has since refocused its efforts on a facility based on Canada's west coast.

Hydrogen Canada believes there is still a significant opportunity for Canada to become a global leader in clean energy supplied to Asia. However, Canada needs to respond in the very near term, or the investment will go elsewhere. We need to align federal and provincial policy and ensure that the industry can move forward as soon as possible. The recent events in the Middle East highlight the need for democratic, energy-producing countries like Canada to provide secure clean energy to its global partners.

Thank you.

● (1220)

The Chair: Thanks to Mr. O'Connell and all the witnesses.

We're going to start our round of questions with Mr. Tochor for six minutes.

Corey Tochor (Saskatoon—University, CPC): Thanks to the witnesses and the committee members for being here today.

In terms of regulating the nuclear industry in Canada, and the idea of cutting red tape and making regulatory progress on speeding things up, are we on track right now?

George Christidis: This is where the opportunity is. We, the Canadian Nuclear Association, feel that the domestic regulatory environment isn't necessarily reflecting the importance of making sure that the regulatory regime is effective and efficient enough to accelerate the development and deployment of nuclear technologies across this country.

For example, we're seeing an increase in the number of regulatory docs at the Canadian Nuclear Safety Commission. Yes, it is a tier one world regulator that is highly respected and, obviously from an industry perspective, knowledgeable. However, when we look at the regulatory environment in Canada, the trend line doesn't match up with the international trend. You're seeing key countries like the United States, the United Kingdom, France, Finland and other spaces accelerating or reviewing the regulatory requirements to reduce duplication and increase efficiency, certainly when it comes to spaces that have nothing to do with safety.

I'd argue that there is an opportunity here. As the government is looking at how to strengthen the domestic economy and the domestic energy system, and create opportunities internationally, the domestic regulatory regime is really important to look at.

Corey Tochor: Talking just a little historically, you said that in the last 10 years, we've gone in the wrong direction. I understand there's 80% more regulation now than there was 10 years ago. Is this true? In one briefing, CNA identified that number.

George Christidis: If you take a look at the regulatory requirements under the CNSC, we've seen a trend over the last 10 years that's actually increased about 80%. Again, those are the types of examples that I think the industry would like—

Corey Tochor: That doesn't match up. If we're supposed to move at speeds we've never seen before in Canada, how can it possibly be that the Liberal government has added 80% on this important industry?

George Christidis: We feel that this is the opportunity. You could take a look at the regulatory requirements and reduce duplications that are not related to safety needs—just to stress that.

I'll just reaffirm the important role that the Canadian Nuclear Safety Commission does play, but we feel that the regulatory requirements need to trend in another direction, and there's an opportunity to improve it.

Corey Tochor: Maybe I'll give a real-world example for our community to understand how this has hurt us.

Denison Mines in Saskatchewan just got approved. Could you unpack a little bit the timelines that project faced and how that might highlight why we need these changes so much?

● (1225)

George Christidis: Mr. Chair, I could follow up with more specifics in terms of that particular project, but I'll just reiterate the fact that the regulatory environment is such that timelines and meeting timelines are an issue. It's not only for our own industry; it's for a number of industries. It has been our experience overall that there does need to be an increased lens on where you could reduce duplications and increase regulatory efficiency, where you do not hinder anything to do with safety. I'll defer to that.

Corey Tochor: I welcome you to put in a submission and a written brief on how that project was stalled and the net results for our Canadian economy.

You spoke about the importance of the value of Canadian natural resources such as uranium. It's a crucial element of the free-world strategy for energy security from hostile foreign powers. How does uranium fit into our position with allies around the world?

George Christidis: Our sector, which includes, of course, Saskatchewan-based uranium, which are some of the best deposits in the world, has been critical in the geopolitical realignment where there's been an effort to replace uranium from other non-allied sources. We've seen a significant increase in markets for a company such as Cameco, for example, which is based in Saskatchewan, in places like eastern Europe, Asia and the United States, where there's an increased need for uranium.

Therefore, there's a wonderful opportunity there for Canadian exports. You saw the Prime Minister and the government recently engage in India, for example. That was a very positive development in terms of the potential for uranium exports.

Along with uranium exports is, of course, the whole Canadian supply chain. Currently, the Canadian supply chain is predominantly CANDU-based. There's just a wonderful opportunity that's associated with export, as a number of different countries, for their own geopolitical, environment and energy security needs, are looking at nuclear technologies both large and small. Canada is really playing a leadership role. We're seeing a lot of interest from eastern Europe—whether it's Poland, where Minister Hodgson has recently been, or Romania—and in Asia, where large and small reactors are possible.

Corey Tochor: On all the European countries that you named, and they're all the ones that are NATO allies, has the CNA presented the Liberal government's idea that some of those costs for the nuclear industry, and what we provide to our allies, should be included in our 2% NATO spend?

The Chair: Give a quick response, please.

George Christidis: Yes, that concept has emerged. I must admit I'm not an expert in the definition of NATO contributions, but I do know a number of key members have made that suggestion to the government.

The Chair: Thank you both.

Mr. Guay, you have six minutes.

Claude Guay: Thank you, Mr. Chair, and I want to thank the witnesses for being with us today.

I'm going to continue a bit on the same topic as Mr. Tochor.

Mr. Christidis, this is for you.

Is the CANDU MONARK the next big platform? This committee is studying export, and we all know about the potential export of uranium, but you were just starting to talk about the potential to export the supply chain of nuclear facilities. Perhaps you could expand first, in dollars if you have them, on the impact of exporting Canadian technology, and the second part is on CANDU MONARK, that kind of thing.

George Christidis: Let me flip it a little bit the other way just to give you the answer.

The world nuclear market is looking to triple. We're seeing that demand increase, actually, in Canada itself as jurisdictions are looking at their own grids here in Canada. Many grids are looking at tripling by 2030, 2050, that time frame.

It's the same story internationally, where the world nuclear market is looking to triple. There's a big conversation in terms of what that could look like. There's a role for large nuclear reactors like those that we have in CANDU, which are based on the refurbishment of OPG, Bruce Power in Ontario, which was about $26 billion, on time and on budget. That's a really strong success story for Canada.

Canada also owns, through Cameco and Brookfield, Westinghouse, the other large energy technology, and Canada's leading through the small module reactor initiative. There are four reactors being built in Ontario by Ontario Power Generation—the GE Hitachi model—which are the same four in Saskatchewan, which are also linked to the opportunities in countries like Poland and beyond.

Across the board, depending on which market segment you're looking at, you're looking at a tripling of that type of market. That doesn't even touch on the uranium side as well as the supplier side. All that to say there's very robust potential growth, but it's really predicated on delivering the projects here in Canada. For us, our sector is really based on domestic success that accelerates international success.

● (1230)

Claude Guay: Thank you for that explanation.

Maybe you could enlighten the committee and people who are not so familiar. You went there talking about large nuclear reactors, small modular reactors. We hear about microreactors. What's the status of each one of those markets in terms of potential to export for us?

George Christidis: Some of the technologies are being deployed. The CANDU technology, the Westinghouse technology, the GE Hitachi for the SMR technology, which is about 300 megawatts in size, just to give you a bit of a scope, which is close to some of the coal plants that they tend to replace, those technologies are proceeding.

For the SMR GE Hitachi model, there's a construction site in Ontario now, OPG, which is building these four reactors. Some of the smaller reactors—

Claude Guay: Are these the ones at Darlington?

George Christidis: That's correct.

Some of the very small reactors are still in that development stage or pilot stage. Some of them are 30 megawatts, 50 megawatts, the concept being that some of them could be running mining operations or be in remote rural areas, pending regulatory approvals, of course.

The concept is there. There are companies exploring those technologies, but they're a bit further out on the conceptual or the deployment stage.

Claude Guay: Another opportunity to export that I've heard about in the marketplace, and that's more on the uranium side, is that our allies in the U.S., the U.K., and I believe in France have submarines using nuclear propulsion. Have we ever considered, or should we consider, selling uranium to our allies for their propulsion needs?

George Christidis: Canada is a country that sticks to non-proliferation agreements. All that it does is based on non-proliferation activities. The Canadian nuclear industry works under that very strict regime. Canada does not partake in those type of activities.

Claude Guay: I have a question for Mr. Moon or Mr. O'Connell.

You talked a lot about the Asia-Pacific market. Have we considered exporting hydrogen to some of the European countries? Some of the provinces in Germany, for example, really want to have ammonia delivered. Have we considered going to Europe? What would be the path, if there is one, to export ammonia to the European market?

Brendan O'Connell: Yes, we have. I believe it's the EverWind project in the Maritimes, in Newfoundland. They're looking at exporting green hydrogen and ammonia. It's going to build a massive wind farm and then build a large hydrogen plant. I believe a lot of it was going to Germany.

We are based in western Canada. We only have a cursory knowledge of the market in Europe and the kinds of activities being developed in eastern Canada. We follow it in the media, but we don't have any special insight. Our target is the Asian market, because we're western Canadian-based.

The Chair: Thank you.

[*Translation*]

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

Mario Simard: Thank you, Mr. Chair.

Ms. Doran, thank you for joining us.

We launched this study given the specific circumstances of the trade dispute with the Americans. This situation was compounded by the events in Venezuela and, more recently, the conflict in Iran and its impact on energy prices.

At the outset, Normand Mousseau and Pierre-Olivier Pineau appeared before the committee. They told us that, in their opinion, Canada wasn't an energy superpower. As a result, it couldn't have a significant impact on the cost of energy. I can tell you that our study is mainly framed around this idea. We want to see how we can develop energy infrastructure to meet global demand, but also to help with the current tariff crisis.

I find it quite striking that you came here with a topic that I don't think that we're discussing at all. This topic is the development of markets to the south, in the Americas, and the opportunities available there. Our actual motivation for this study stems from the fact that our partners to the south are currently a bit less reliable. These partners are the Americans, who shall remain nameless, and people who may not be ready to comply with trade agreements as we used to see them.

I would like to hear you talk about opportunities in particular. You spoke about Mexico earlier. You mentioned a potential demand for clean energy there. I would like you to elaborate on this idea.

● (1235)

Marie-Christine Doran: Thank you, honourable vice-chair.

There's actually a great deal to say. For Canada, right now it's quite encouraging to see reliable countries reaching out to us to really deepen our trade relations within a multilateralism structure that they want to renew and that they consider the solution to the current difficulties with the United States. Canada was an observer member of the Pacific Alliance and Mercosur. However, Brazil, for example, is now genuinely inviting us to join. Without ruling out more bilateral trade relations, these other countries are really emphasizing the fact that Canada should join this trade alliance. In Latin American countries, green technologies and the ability to innovate and provide solutions are highly valued. We know that Mexico is an oil producer that nationalized this resource. Yet it's currently grappling with a water crisis and seeing the major impact of climate change. Climate change is also driving a Central American migration.

Countries such as Mexico and Brazil are realizing the value of turning to countries with expertise in renewable energy and a solid vision and regulatory framework. Interestingly, your question focuses on the economic aspect. However, a desire to assert a political alliance is also apparent. It's worth noting how the south is looking to Canada as a reliable and valuable partner in quickly developing new trade alliances.

Mario Simard: You spoke earlier about your training today with people from Global Affairs Canada. Are you aware of any Canadian strategy to further develop these trade agreements or bilateral ties with Latin American countries, perhaps?

Marie-Christine Doran: Actually, yes. There's a clear strategy with Mexico. We have this much-vaunted Canada-Mexico 2025-2028 plan.

Our high-level embassy staff say that never before has an alliance been so solidly established. The two governments have committed many resources to try to work quickly—also with a view to renewing the free-trade agreement that includes the United States—and to strengthen the Canada-Mexico hub. Clearly, something is happening at this level.

When it comes to Brazil, things look quite good. An expert told us that Brazil, which is obviously a key giant for us as well if we want to develop our trade relations with the south of the Americas, tends to opt for multilateral rather than bilateral agreements. It's a traditional position.

Brazil isn't against bilateral agreements. However, it would rather that Canada join Mercosur, for example, and that we work within this type of agreement, instead of within the bounds of bilateral Canada-Brazil relations. We'll need to see how all this plays out. For the time being, this remains the official position. That said, Canada is being strongly urged to join Mercosur.

● (1240)

Mario Simard: Is Canada currently reluctant to enter into trade agreements with other Latin American countries, perhaps for fear of upsetting our American neighbour and jeopardizing the renegotiation of the Canada-United States-Mexico agreement?

Marie-Christine Doran: Thank you for—

[*English*]

The Chair: Give a quick response, please.

Marie-Christine Doran: A quick response....

[*Translation*]

Certainly. You have to remember that Mexico is constantly receiving what I would call threats from the U.S. government saying President Sheinbaum is unable to govern her own country. It happened again a few days ago.

We therefore have nothing to lose by further developing our trade relations with these countries the United States has identified as not being good allies.

[*English*]

The Chair: Thank you, both.

Mr. Rowe, it's good to have you back. You have five minutes.

Jonathan Rowe (Terra Nova—The Peninsulas, CPC): Thank you very much.

It's not a whole lot of time, but I have a whole lot of questions. I apologize if I cut you off on any long answers. I have my thinking hat on. I'm trying to learn, and I'm trying to educate the public all at the same time.

My first question is for Mr. Christidis.

You mentioned how the nuclear system is set up in Canada. I believe it's almost like a monopoly. One of the big partners is Brookfield. Am I piecing this together? Are there any subsidies or is there any real government help for the nuclear industry, and does that directly impact and benefit Brookfield?

George Christidis: The first point is that no Canadian energy market in any way is a monopoly. Usually, the way it works is that each province designs the electricity system that best reflects its own reality. For example, in Quebec, there is a very strong hydro experience, because of the resources that are there. In Ontario, there is a blended system with renewables, for example, gas and nuclear. That is a hybrid competitive system.

Jonathan Rowe: Nuclear components....

George Christidis: The nuclear component is the CANDU technology. That is the Canadian technology, historically, that was developed by Canadians. That is the supply chain. Most recently, the Canadian companies, Cameco and Brookfield, purchased Westinghouse. In the international space, Canadian companies own two of the very important technologies, right?

CANDU, itself, operates in a number of different countries.

Jonathan Rowe: It's good to see Canadian companies prosper and do well across the country. Some voters and some Canadians are just hesitant about what's happening with Brookfield and some of the subsidies across the country due to the climate.

You talk about global and everything, and you talk about nuclear. It's interesting.

I'm looking at a map we received in one of the first studies we did on mining. This map shows two big uranium deposits in Canada. One is in Saskatchewan and one is in Labrador. I don't believe the Labrador mine is actually operating and actually putting uranium into the system for nuclear energy.

How do we get that mine up and running? How do we get that part into the supply chain, and perhaps even partly into the global supply chain?

George Christidis: I'm not privy to the Labrador experience, per se. Again, each province defines what resources it chooses to develop. For example, Nova Scotia has recently reversed original decisions that wanted to limit nuclear and mining in those spaces. We see a global trend of these reversals. Countries like Sweden, Switzerland, Finland and Norway are all reversing previous hesitations to nuclear in general and are moving down the nuclear energy track.

Jonathan Rowe: It's a big opportunity for us.

George Christidis: Each province will have to make that determination. All I can speak to is the domestic and international trend that points to enormous opportunities. On just the construction side, there's about $400 billion U.S. in a new build-out of nuclear energy. That's construction on just the nuclear energy side, let alone the uranium side.

Jonathan Rowe: Thank you.

I have a question now for Brendan O'Connell or perhaps Bryan Moon with Hydrogen Canada Corp.

I had a conversation this morning about the ammonia industry and fertilizer. They're very reliant on tax credits and subsidies. We need perhaps more of them to make some industries work. Does Hydrogen Canada Corp. and the hydrogen industry in Canada need more tax credits and subsidies to be competitive on the global market?

● (1245)

Brendan O'Connell: I can answer that.

We would rely heavily on the investment tax credits and also the current carbon trading system, potentially in either Alberta or B.C. We've worked that into our model. The investment tax credits definitely support the economics of our facility.

The third piece to it was that there's currently a heavy insurance burden on rail traffic for dangerous goods in Canada. We were part of the conversation between CN and Transport Canada looking for some economic support, not only on the insurance for those railcars but also on the freight costs. Transport Canada developed a safety framework that was fairly onerous and increased costs. Ammonia is toxic.

The tax credits work for us. The carbon levy system works for us. The challenge was the rail transport. That's eventually what kind of stopped us from moving forward on our facility in Alberta.

Jonathan Rowe: There would be no way to survive without those tax credits, so we need the government to keep doing those to get that industry going.

Brendan O'Connell: That's correct.

The Chair: Thank you, Mr. Rowe.

Thank you, Mr. O'Connell. You can amplify that in a future question.

We will now go to Mr. Danko for five minutes.

John-Paul Danko (Hamilton West—Ancaster—Dundas, Lib.): Thank you, Chair.

My first question is for Professor Doran.

I think she gave some really interesting testimony talking about the breakdown, or perhaps the intentional destruction, of international law. She talked about this axis of North American extreme right governments and the Monroe doctrine as it's interpreted by President Trump.

I want to give her the opportunity to expand on some of the risks she mentioned of Canada expanding trade with these far right extremist governments in terms of our energy exports. Especially in the context of agreements that can't be trusted and governments that can't be trusted, why would we want to do business with those countries?

Marie-Christine Doran: Thank you so much for the question.

[*Translation*]

I'll answer in French, simply because I mainly teach in French.

There are major risks. Actually, they're related to the fact that a number of countries have abolished the agencies that supervise contracts and ultimately should be reliable in court when it comes to ensure legal checks and balances.

That's the case in El Salvador. The Biden administration sanctioned El Salvador for corruption. Of course, that changed significantly when the Trump administration made it their number one ally. However, the situation hasn't changed: judicial checks and balances and all the oversight agencies on corruption have been abolished in Ecuador, El Salvador and Bolivia.

Some Canadian business people say they won't do business in Cuba, for example, because there are no legal guarantees protecting their investments, but it's the same situation in those countries. It may even be worse, and the Canadian population is poorly informed on this.

Things are moving extremely quickly. In just two years, legislation has been completely changed, as have the agencies responsible for verifying contracts to ensure that everything is done and that we have access to justice if necessary. This is really an unprecedented situation. That's why I think it's wiser to continue working with allies who adopt even stronger regulation. That's the case of Mexico who's working extremely hard at all levels, particularly with the implementation of contracts related to mining companies, for example, or exports of natural resources, in this case clean energy.

So there's really quite a major contrast and, in some ways, it's dangerous. That's the problem with the Canada-Ecuador free trade agreement, for example. We have major concerns, because oversight agencies no longer exist in this country. They were abolished in just two years with a misguided understanding that judicial checks and balances and oversight agencies are disturbing things and preventing citizens from immediately following the president's will to bring safety and economic well-being. It's a very populist narrative, and it's dangerous for our investments.

● (1250)

John-Paul Danko: Thank you very much.

[*English*]

I really appreciate your expertise in that area.

I'm going to switch topics to hydrogen. That's something that's of real interest in Hamilton with the steel industry, with the potential for data centres and green energy.

This is for the representatives from Hydrogen Canada.

You touched on the importance of Canadian regulation, in particular carbon pricing, to the business model that is enabling hydrogen to expand as an export market. I want to give you an opportunity to expand on that. Also, what further action could we take on the investment tax credits and reducing transportation costs?

Brendan O'Connell: First of all, we produce hydrogen and then convert it to ammonia. We would produce about 200,000 tonnes of hydrogen and convert that to ammonia. Out of that would come about 1.5 million tonnes of CO2.

Our plan was to capture more than 96% and sequester it, so we would be capturing and sequestering, plus or minus, 1.5 million tonnes. That would generate offsets in Alberta, and the revenue generated from those offsets was material to our model. It was north of $100 million a year, so it was critical to the overall success.

We're one of the very few countries—I think the only country in the world—that has a carbon levy system where you can recognize those revenues. Anyone looking for blue hydrogen or blue ammonia would require you to sequester those, so it was material to our business.

The only country I can think of is the U.S., where they have 45Q, which provides $85 per tonne of CO2 sequestered, and that was who we were competing with originally.

On the tax credits, we were relying on the hydrogen investment tax credits for the first two-thirds of our plant. We actually worked very hard to get the lowest carbon intensity, but the current tax credits don't recognize low-carbon methane. Enercan, or whoever wrote the legislation, decided that they wouldn't accept the differentiated natural gas, which is something that Canada is marketing its gas on right now. LNG is the lowest carbon intensity in the world, yet if we take that low-carbon gas and make ammonia, the government doesn't recognize the low carbon intensity. That's where the tax credits kind of give and take, so we'd like to see modifications to that.

The Chair: Thank you. I gave you some extra time there, Mr. O'Connell, and perhaps we can compact that with a future questioner.

We're going to Monsieur Simard.

[*Translation*]

You have the floor for five minutes.

Mario Simard: Thank you, Mr. Chair.

Mr. O'Connell, I completely understand your answer. You're making it clear you still need that tax credit and carbon pricing.

We've had this discussion many times in committee. To his great misfortune, former minister of natural resources, Mr. Wilkinson, asked me to join him in Berlin where I spoke to representatives of the Siemens company about blue hydrogen production technologies using carbon capture strategies. I was surprised when they said they didn't believe in this model because the technological costs were too high to make it an attractive energy source. I'm just telling you about that discussion, because it surprised me.

If I understand correctly, you just said that to operate your plant — knowing two thirds of your share of funding comes from tax credits —, we have to keep carbon pricing, and I completely agree with that. Given Siemens' position regarding very high technological costs, do you really think there's a market for blue or green hydrogen in the short term?

● (1255)

[*English*]

Brendan O'Connell: Yes, we believe there's a market. There's a mandated market in Korea. The Koreans were ready to sign deals. We have been dealing with the two largest power companies in Korea for the last two and a half years, and they were ready to sign deals as long as we were competitive with any other facility in the world. Our advantage is our cost-effective natural gas. Our gas is cheaper than any gas anywhere on the planet, any major basin. We're one or two dollars less than the U.S. gulf coast, and we're five or six dollars less than Australia, the Middle East and any other competing region. Yes, we can be competitive.

If you're producing blue ammonia, you have to capture the CO2 and sequester it. We can do that very cost-effectively in Canada. It's fairly cheap for us because of the way our regulatory environment works. Technologically, it all works. Our big challenge was the fact that these facilities are designed to be built at tidewater. We were looking to build it in Alberta, so we had the rail challenge. What hurt us was the fact that we were inland, because that's where our petrochemical industry is based. The carbon levy and the technology were not risks as far as we were concerned. The carbon levy was a huge benefit to us, and it makes us competitive with the U.S. in terms of the Inflation Reduction Act. Our challenge was the rail. To us, it could be a very competitive industry.

The Chair: Thank you.

We'll move on to our two final questioners, Mr. Tochor and Mr. Hogan.

We're going to give you four minutes each.

Corey Tochor: I'll go back to how we stack up on nuclear with some of our allies around the world. How do we stack up on regulatory timelines compared to the States?

George Christidis: I assume that's for me, Mr. Chair.

If you take a look at the changes that the executive orders have made in the United States, the changes through their national regulator, they're substantially looking at accelerating reduction in terms of the regulatory requirements to proceed. That's not to say the U.S. model is the model that we would aspire to. What we're pointing to is this significant trend internationally in the U.S., the U.K. and France.

Every country has its own system, right? I need to be cautious, because each country does have its own system. We have a very strong federal and provincial environment in terms of energy policy overall, but there's definitely a trend line that other jurisdictions are moving to accelerate their regulatory processes to meet their energy needs, climate and security while, in Canada, we're not quite there yet. We're actually going the other way, as I pointed out in my statement.

Corey Tochor: We're going the other way. Is that in the layering on of regulations?

George Christidis: As I pointed out, in the last 10 years there's been an increase of about 80% to some of these regulatory requirements for the CNSC, for example.

Corey Tochor: Did it chill the market a little for investment in Canada when the Liberals classified nuclear stock as a sin stock, similar to tobacco and other substances?

George Christidis: I'm very happy to tell you, Chair and committee, that it is no longer the case, and that we have a robust change in the definition of green energy bonds, which includes nuclear. It was a very exciting moment in time for the industry that we were included in the definitions. That has helped investment.

Corey Tochor: I just toured McMaster University. It has a great facility that's working on radiopharma and some of the breakthroughs. Similar to how you described it, as an 80% worsening of regulations that the Liberals enacted in the last 10 years, on radiopharma there's also a thickening of the regulations and a lack of support for that industry.

Can you highlight radiopharma and medical isotopes, what they mean to our country and, hopefully, the industry?

George Christidis: In terms of nuclear medicine, and isotopes in particular, it is a fantastic story. You may have recently seen an announcement made by Bruce Power and the SON indigenous community, about $250 million to develop more isotope capacity. Canada is a leader in that space and actually is catching attention internationally. It's one of those export areas that is also seeing a growth in our respective industry, along with small modular reactors and the large reactor discussion as well. It's quite robust.

Corey Tochor: Speaking of small modular reactors, you talked about the Canadian supply chain. What has the more complete Canadian supply chain, the CANDU reactor or the SMRs that are being built in Darlington?

● (1300)

George Christidis: The Canadian supply chain right now is CANDU. It has a CANDU tradition, but that CANDU supply chain is supporting, of course, the activity, that is, OPG's SMR project in Ontario.

Corey Tochor: Where would that uranium come from? For the SMRs that the Liberals are planning, where would that be refined?

George Christidis: I can't speak in terms of government policy per se—

Corey Tochor: It wouldn't be in Canada, though. Is that not right? The refinement is not going to be done in Canada.

George Christidis: —but the uranium is mined in Saskatchewan. They have a very important facility at Port Hope, in terms of the processes.

Corey Tochor: For the SMRs, sir, where would that refined uranium come from?

George Christidis: SMRs require a slightly enriched fuel, and that is partly dependent on the relationship with the United States vis-à-vis accessing that enriched fuel.

Corey Tochor: That's a problem for us going forward.

George Christidis: Right now it's not. Right now there's enough co-operation between Canada and the United States in that space, but there are other suppliers as well, including the U.K. and France, for example. There's an ecosystem of supply.

Corey Tochor: Thank you.

The Chair: Thank you both.

Mr. Hogan, you will have the last word. You have four minutes.

Corey Hogan: Thank you.

I very much appreciate hearing from all of our witnesses today. I sincerely feel like I've learned a lot, and it is always a good hour spent when we can learn from the experts who came to testify today.

Mr. O'Connell, I want to talk a little more about hydrogen. In particular, when we talk about export opportunities and the integration of federal and provincial supports, obviously, our purview is federal, but we want to make sure the right hand and the left hand are working together. Can you talk a bit about the overall environment—regulatory, tax credits, grants and all of those things that are available or not—and where the gaps might be in particular between federal and provincial supports?

Brendan O'Connell: We would have relied very heavily on federal support—again, the tax credits. We looked at a number of hydrogen plants that were constructed in Alberta. Air Products received funding from the strategic innovation fund, and we counted on getting similar funding for our project. We believe we had the federal support we needed to move forward. The challenge was the rail piece, which was shelved earlier this year, so that's just not getting resolved.

Provincially, we would have relied on the APIP and some other programs in Alberta. We wanted to do more work with the Government of Alberta on that. The government informed us that they were willing to work on the rail challenge, on some of the costs associated with rail, specifically the indemnity, but the Government of Alberta took a back seat, in our opinion, to the federal policy. Because we were all waiting for a decision on the rail support, the Government of Alberta backed away. We would have liked to see more support provincially. We didn't really see it, but part of it was that they had a wait-and-see approach.

A second thing I will mention, and I think it's topical for this panel, is that we were looking to do some aboriginal engagement because we would have been running this product through B.C., through traditional territories. We were looking for guidance from the federal government to lead us through the process on that. It's something that we don't get that involved in as a project developer in Alberta per se. That was step four, and we were on step one. We never got that far.

Does that answer your question?

Corey Hogan: That's very helpful. Thank you.

It's a good reminder that as we think about expanding these opportunities, we're also asking the entrepreneurs and the companies, such as the one you represent, to do things they may not have previously done, and we need to assist them through all of that in terms of capacity.

Do you want to use the last minute I have to say anything the committee has not addressed that you were hoping would be addressed? Is there anything you'd like to say? You get the last word on this one, literally.

Brendan O'Connell: Thank you for that, because there is a point I'd like to make.

A lot of the conversations we're having in Canada these days are about exporting raw product. We continue to be a commodity producer. We export natural gas, We export oil. Hopefully, we'll export more uranium. We export a lot of agricultural products, but we don't do a lot of value added in Canada. I think the focus of the Government of Canada and every government in this country is to do value added in Canada.

Both Bryan and I are engineers. Bryan has his Ph.D. and I have an M.B.A. For us, the value of this is doing value added and doing more technology-related projects in Canada so that we're not exporting just oil or natural gas, but actually doing something with them here and selling the world upgraded products. It creates a more stable economy and it's a huge benefit to all the technologists and engineers in this country to put them to work. We like the idea of exporting uranium and oil and gas, obviously, but we really think there needs to be a stronger focus on doing the value added in Canada.

Thank you for the opportunity to say that.

● (1305)

The Chair: Thank you.

Before I thank the witnesses, Mr. Rowe has raised his hand.

Go ahead, Mr. Rowe.

Jonathan Rowe: On a point of order, Mr. Chair, I'm wondering if I can submit some questions to the witnesses for a written response to go into the report.

The Chair: Of course—

Jonathan Rowe: Thank you.

The Chair: —yes, and vice versa. We welcome briefs from our witnesses.

On behalf of the committee, thank you for a really good exchange. There have been good questions and good responses. It's good to hear from our hydrogen and nuclear sectors, which we haven't heard enough from, in my view.

Thank you for your global perspective and your geopolitical insights, Professor Doran.

Colleagues, with that, I am going to gavel us out.

The meeting is adjourned.