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Chair: Terry Duguid



Standing Committee on Natural Resources

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• (1535)

[*English*]

The Chair (The Honourable Terry Duguid (Winnipeg South, Lib.)): I call the meeting to order.

Welcome, everyone. It looks like we have a full house today, so I know we'll be on our best behaviour.

I'll give a special welcome to the students of Laurentides—Labelle and to Madame Gaudreau. I've served with her on committee. She's a terrific member of Parliament.

I hope that helps with your constituents, Madame Gaudreau. You have all-party support.

Let me start, as we always do, by acknowledging that we are meeting on the unceded territory of the Algonquin Anishinabeg Nation.

Welcome to meeting number 34 of the House of Commons Standing Committee on Natural Resources. Today's meeting is taking place in a hybrid format. We have one of our colleagues online.

Pursuant to Standing Order 81(4) and the motion adopted on Thursday, March 26, the committee is commencing its consideration of the main estimates of 2026-27, which were referred to the committee on Thursday, February 26.

Pursuant to Standing Order 81(5) and the motion adopted on Tuesday, February 24, the committee is commencing its consideration of the supplementary estimates (C), 2025-26, which were referred to the committee on Thursday, February 12.

Pursuant to the motion adopted on December 4, 2025, the committee shall resume its study of the management of Canadian Nuclear Laboratories by U.S. companies.

I know that was scintillating, colleagues. I got through it as quickly as I could.

Let me now welcome our witnesses.

I'll give a special welcome, of course, to the Honourable Tim Hodgson, Minister of Energy and Natural Resources.

We have just about the whole family from Natural Resources Canada with us today. Welcome. I have to name you, as you may be asked questions by members of Parliament.

We have Greg Orenszak, deputy minister; Jeff Labonté, associate deputy minister; Claudine Pagé, director general, minerals program branch, lands and minerals sector; Francis Brisson, assistant deputy

minister and chief financial officer, corporate management and services sector; Frank Des Rosiers, assistant deputy minister, energy efficiency and technology sector; Glenn Hargrove, assistant deputy minister, Canadian forest service; Kimberly Lavoie, assistant deputy minister, Nòkwewashk; Drew Leyburne, assistant deputy minister, energy systems sector; and Erin O'Brien, assistant deputy minister, fuels sector.

I'll be introducing the others in the second round.

Minister, welcome. You have five minutes for your opening remarks.

[*Translation*]

Hon. Tim Hodgson (Minister of Energy and Natural Resources): Thank you very much, Mr. Chair.

Good morning, everyone.

[*English*]

Thank you for the opportunity to appear here today.

I also want to note that we're meeting on the unceded territory of the Algonquin Anishinabe.

The main estimates that are being considered by the committee today are a blueprint for how we build energy security, strengthen our sovereignty and economy and ensure that every region of Canada can succeed, because we're living through a global rupture, an even more tumultuous time than when I last appeared before this committee. Since then, the conflict in the Middle East has driven up fuel prices around the world.

We have contributed to the IEA's largest ever oil stock release, and our government has acted to temporarily suspend the fuel excise tax on gasoline and diesel across Canada, bringing the total amount of taxes cut on a litre of gasoline to 28¢ since we were first elected.

To make Canada more energy-secure and less reliant on external factors, our government is also working to realize Canada's full potential in both clean and conventional energy. We're building big in electricity, in LNG and in nuclear to provide all Canadians with clean, reliable and affordable power.

At the same time, supply chains continue to shift. The global demand for energy and minerals is rising, and our allies are looking to Canada as a stable, responsible trading partner. To illustrate how we're responding to this need and diversifying Canadian exports beyond the United States, I would like to highlight a few examples contained in the estimates that respond to these issues with clarity and purpose.

First, this year's estimates include a total commitment of \$2.3 billion to unlock the infrastructure, the technology and the processing capacity needed to turn Canada's critical mineral wealth into a long-term opportunity for this country. This will strengthen our economic security by fulfilling domestic defence, manufacturing and clean energy demands and getting minerals to new global markets.

Second, with over \$392 million sought for the smart renewables and electrification pathways program, we are modernizing Canada's grid so that power remains affordable, clean and resilient.

We are also taking significant steps to further support our forest sector as it pivots to new products and markets, including with \$157 million for our suite of forest sector transformation programs. With the conclusion of the Canadian forest sector transformation task force's mandate this past week, our government will be responding to its report by setting out our vision for the sector. I look forward to having more to say about our ambition to pivot and grow the forest sector in the coming weeks.

At the same time, our new government and Natural Resources Canada are collectively taking with the utmost seriousness fiscal responsibility and the Prime Minister's promise to spend less so we can invest more. That is why it is worth noting that, even as we deliver more for Canadians, for 2026-27, Natural Resources Canada's budget is seeking \$4.8 billion in budgetary authorities, a decrease of 5% from last year.

All Canadians feel the urgency of this moment. Business as usual will not meet the scale of what workers and their families expect from us, given the challenges and opportunities we face. To make good on what we have promised to Canadians, we must be bold and move forward with purpose. Our new Liberal government's approach to energy and natural resources means we are thinking bigger, building smarter and moving faster as one country with one economy and one shared future.

I look forward to your questions. Thank you.

• (1540)

The Chair: Thank you, Minister.

We're now going to open it up to questions and comments from members. We're going to start with Ms. Stubbs.

Ms. Stubbs, you have six minutes.

Shannon Stubbs (Lakeland, CPC): Thank you, Chair.

Thank you, Minister, for being here, and thank you to your officials for joining you here today.

Minister, when will the construction of your promised pipeline to the Pacific begin?

Hon. Tim Hodgson: To be clear, I believe you're referring to the pipeline to the Pacific that Alberta is proposing, so it's not our pipeline. It was being proposed by the Province of Alberta as a proponent.

What they have indicated is that they would be ready by July 1 to bring a proposal forward. At that time, we would be evaluating it. Of course, the proponent is the one who brings it forward. It's up to them to bring it forward at that point.

Shannon Stubbs: You've made the agreement to all Canadians that you want Canada to be an energy superpower. A pipeline to the Pacific is necessary to get beyond the U.S., so on what date will the Pacific pipeline start getting built?

Hon. Tim Hodgson: As I said, we don't build the pipelines. The proponents build the pipelines. It's up to the proponent to bring a proposal forward.

My understanding is that Alberta intends to meet its communicated—

Shannon Stubbs: As you know, the proponents who would build that pipeline have said you have to repeal anti-energy laws, regulations and policies for them to be able to build it. You said you want to do that after Bill C-5, so how quickly will you get those laws fixed so that you can tell Canadians the date on which the pipeline to the Pacific, which you promised, will be constructed?

Hon. Tim Hodgson: As you well know, the federal government and the Government of Alberta have a plan together to work collectively, in collaboration, with a shared goal—

• (1545)

Shannon Stubbs: Then what are you doing to find the private sector proponent that will build the pipeline to the Pacific? You promised Canadians that it would get built, and in under two years, given the language around Bill C-5.

Hon. Tim Hodgson: We are working with Alberta and with the Pathways Alliance—

Shannon Stubbs: On what date...?

Hon. Tim Hodgson: When the proponent brings it forward.

Shannon Stubbs: There is no proponent, there is no pipeline and you have no date. That sounds, so far, as though you're not going to meet the promise you made, so I guess I'll move on.

Hon. Tim Hodgson: Alberta has indicated they plan to be a proponent. The government is not the proponent.

Shannon Stubbs: You and your Prime Minister have promised to make Canada an energy superpower. You say Canada is in a crisis because of our biggest trading partner, customer and competitor, which is threatening Canada.

We need to get beyond those markets. You have promised a pipeline to the Pacific. It's an interjurisdictional pipeline for export that is indisputably under federal jurisdiction.

On what date will you want a private sector proponent to begin construction on the Pacific pipeline that you promised Canadians and that the majority want to be built?

Hon. Tim Hodgson: I know you'd like a different answer. The answer is the same. The proponent brings the proposal forward, just as—

Shannon Stubbs: The proponents have said they won't build a pipeline unless you change the laws, so when are you changing the laws?

Hon. Tim Hodgson: —the proponent for the Taylor-to-Gordon-dale pipeline brought it forward. It was approved, and they are now building. It's just like—

Shannon Stubbs: We're more than a year in and you have no answer.

Okay, let's move on.

On April 17, 2025, the Prime Minister, as you well know, said that China is Canada's greatest security threat. Do you, as minister, support more control of Canada's oil and gas by foreign regime-owned companies?

Hon. Tim Hodgson: I believe what the Prime Minister said is that we need to engage with the world as it is, not as we wish it to be, and that we need—

Shannon Stubbs: On April 17, he was asked what Canada's greatest security threat was. His answer was China.

Hon. Tim Hodgson: If you'd let me answer, I will try to do that.

Shannon Stubbs: It's about time for time.

The Chair: Let's not talk over one another, please.

Minister, go ahead.

Shannon Stubbs: Well, my first question was 10 seconds, and he went on for 35. If you want to adjudicate like that, you go ahead, Chair, or I'm going to have to.

The Chair: Minister, proceed.

Hon. Tim Hodgson: What we said is that China is the second-largest trading country in the world. It is an important trading partner. We had a paused relationship with China. We are rebuilding our relations with China. We have a pragmatic engagement in which we have a clear window on areas where we agree and areas where we don't agree.

Shannon Stubbs: Let me just ask you about one of the projects that you recently referred to the MPO, the Grays Bay project, with that road that leads to this Chinese state-owned Izok mine. You said Arctic security is a top priority. Conservatives have always said that. We agree. Does your government view this as a national security concern? Can you answer whether that mine has been designated for a national security review under the Investment Canada Act or by the MPO, which your legislation also seems to set out to be the MPO's role?

Hon. Tim Hodgson: The Grays Bay road and port are a national security priority. It is an Arctic development priority. It is an economic priority. There are many deposits along that road. Many potential proponents will be bringing things forward.

To my knowledge, the company that I think you're referring to has not come forward and proposed a mine. If it did propose a mine, we would look at it at that time.

Shannon Stubbs: Is it easy for you, as minister concerned about Canada's security and sovereignty, to rule out—

Hon. Tim Hodgson: What we—

Shannon Stubbs: Can I actually finish my question?

Would you rule out a majority Chinese ownership of Canadian resource development in oil and gas or critical minerals?

Hon. Tim Hodgson: We have the Investment Canada Act. We have the ability to look at any new investment in the country. We'll evaluate it against the realities of the time. If we deemed it a net benefit to Canada, it would proceed.

We have Chinese—

Shannon Stubbs: The Prime Minister has said that China is Canada's greatest security threat.

Hon. Tim Hodgson: China is a major owner in LNG Canada, phase one. In that situation—

Shannon Stubbs: Is it a threat?

The Chair: Folks, that's the time for this round.

I'm going to Mr. Clark for six minutes.

Braedon Clark (Sackville—Bedford—Preston, Lib.): Minister and officials, thank you very much for being here this afternoon.

Minister, one thing that's come up during the course of our study on energy exports is issues around regulatory certainty and simplicity. I know that's something that you, the Prime Minister and the government have been very focused on since the election last year. One of the key pieces of that is to sign co-operation and substitution agreements with as many provinces and territories as possible. My own province of Nova Scotia signed one about a month ago, when the Prime Minister was in Halifax with Premier Houston.

Minister, can you give us an update on where those agreements stand and the positive impact you think they will have on the energy future of the country?

● (1550)

Hon. Tim Hodgson: You're referring to “one project, one review”.

Braedon Clark: Yes.

Hon. Tim Hodgson: In addition to establishing the Major Projects Office, the work is under way to secure co-operation agreements with each and every province and territory to establish the concept of “one project, one review”. To date, seven agreements have been signed. Those agreements are with Prince Edward Island, Nova Scotia, New Brunswick, Ontario, Manitoba and Alberta, and there is an existing one with B.C. from when we started this process. One additional jurisdiction has a draft working document and two are close to having draft agreements developed or finalized.

Braedon Clark: Minister, what would you say is the primary benefit—not just for governments, but more importantly, as you talked about in the previous round, for proponents and people who want to do business here in the country—of having those agreements in place?

Hon. Tim Hodgson: One of the things we've heard very clearly from proponents is that they would like to see a de-pancaking of regulation. Where there is overlapping federal and provincial or territorial regulation, they'd like to see that collapsed into one set of engagements around regulation and one set of consultations.

The concept of “one project, one review” says that where the federal government has an agreement with a province and there is an equivalency of their regulations, the federal government will step aside. We will rely on the work that the provincial government does. If it does that work, we will conclude that it's done the equivalent of what we would do and we will step aside.

The most poignant example of that is the Ksi Lisims LNG facility. Last fall, the B.C. government approved what will be the second-largest private sector investment in the history of the country. It's an over \$30-billion new export facility. That project was approved on a Monday at four o'clock in the afternoon by the B.C. government, and at 4:30 that same day, the federal government approved it, relying on the work of the B.C. government.

When “one project, one review” works properly, that's what we should see happen.

Braedon Clark: That's a wonderful example. Having been on the provincial side, I know that it's wonderful when we can work together to simplify and harmonize those things, as you say.

Minister, another priority would be electricity. We know that demand for electricity is likely going to double here in Canada over the next couple of decades. We will need to work together with provinces, territories and indigenous groups to modernize and expand the supply and distribution of electricity in this country.

Could you share with us what work is under way in the department and what investments might be included in the estimates that will help us meet that significant demand over the next 10 to 20 years?

Hon. Tim Hodgson: Thank you for that great question.

We're working with provinces, territories and indigenous partners more closely than ever to better connect our grids from east to west and to provide more affordable and reliable power for Canadians. This builds on the significant existing federal commitments in investment tax credits, strategic financing and targeted programs.

Of note is NRCan's total commitment of \$4.5 billion from the 2021-22 fiscal year to the 2035-36 fiscal year to support the deployment of grid modernization, energy storage, renewable energy and transmission projects across Canada, as well as predevelopment and capacity-building projects, helping communities and organizations develop renewable energy and grid modernization projects.

We're just getting started. We will be announcing a new electricity strategy in the coming weeks, and I'll have more to say about this then.

Braedon Clark: That's wonderful.

In your response, you touched on storage. I think storage is an underappreciated but critically important part of the electricity question we're raising here. We talk about renewables, and obviously that's going to be an increasingly important part of the mix in the years and decades to come. However, at times, renewables are intermittent, with solar and wind obviously being the true prime examples of that.

From your perspective, Minister, how important is storage, and how can we continue to accelerate that so we can harness that energy, which is not always as reliable as more traditional sources?

• (1555)

The Chair: You have about 30 seconds.

Hon. Tim Hodgson: As you know, grid-scale storage is an important part of developing DERs in the new grid systems we're building. We've been working with different provincial utilities to look at ways to do that in the most cost-effective way. We've also been exploring what other countries around the world are doing.

When I was in China and India, we looked at some of the exceptional grid storage capabilities they have, and we have looked at potentially bringing that technology to Canada.

The Chair: Thank you both.

[*Translation*]

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

Mario Simard (Jonquière, BQ): Thank you, Mr. Chair.

Thank you very much, Minister, for being here.

You're a numbers guy, a banker. So I'd like to talk to you again about the construction of the pipeline that will be supported by the Government of Alberta as a proponent.

We had a very interesting witness earlier this week, Mr. Rory Johnston. According to him, since the cost of building a pipeline to the west of the country is very high, it is unlikely that the industry would support that solution. In short, he said that public funds should probably be invested in the construction of the pipeline. The Government of Alberta is already clearly indicating that it will do so by being the proponent. For my part, the question that concerns me is whether the federal government is going to invest money in this infrastructure.

I saw Trans Mountain go through, which cost people in the oil and gas sector \$34 billion dollars. That infrastructure is not cost-effective. Even Mr. Johnston told us that.

My question is quite simple. As a banker, as a numbers man, do you think a pipeline to the west of the country would be cost-effective?

In addition, does the federal government plan to invest public funds in that infrastructure?

[English]

Hon. Tim Hodgson: I don't know Mr. Johnston.

The characterization that the cost will be very high is an incredible amount of detail to absorb. We can look at the actual reality that the TMX pipeline is full. It is already ready to be expanded. There is demand for it to be expanded using the tolls that are in place and designed to pay for that pipeline. Clearly, there is a commercial demand for pipelines to the west coast.

As I went around the world, many countries and also companies were very keen to buy more Canadian oil off the west coast. They would be thrilled if there was an opportunity to do that.

With respect to public money, I want to be clear. What we have said is that we would support indigenous equity ownership with the indigenous loan guarantee program, so there could be scenarios where public money could be used in a pipeline such that it was supporting indigenous ownership of that pipeline.

[Translation]

Mario Simard: That is still quite vague. We don't know how much public money would be invested in the infrastructure.

Mr. Johnston is an expert in market research for the oil sector. I think he's well informed about those aspects.

I would like to get a clear commitment from the government to ensure that something like TMX doesn't happen again. In that case, the government covered the infrastructure costs that the private sector did not want to take on.

That said, I understand that the Alberta government is prepared to stick its neck out, but there would be a gross injustice. You know, all the infrastructure used in Quebec to export energy was paid for by Hydro-Québec. We never received federal support for that. When funding for power lines in Newfoundland and Labrador came up for discussion, there was quite a hue and cry in Quebec. If oil infrastructure were once again federally funded, that would be very unpopular in Quebec.

• (1600)

[English]

Hon. Tim Hodgson: I'm not going to speak hypothetically about pipelines. When the proponent brings one forward.... In the MOU that was negotiated with Alberta, it was a clear priority that any pipeline brought forward would have indigenous ownership. If those indigenous owners wanted support from the federal government to finance their equity, that would be available under the Canadian indigenous loan guarantee program.

With all due respect, I believe Hydro-Québec does benefit from investment tax credits, so saying that Quebec does not benefit—

[Translation]

Mario Simard: Absolutely. I'm talking about infrastructure. I understand the 30% tax credit, but I'm talking about the infrastructure investments that have been made in the past.

[English]

Hon. Tim Hodgson: I believe Quebec benefits from investment tax credits, and I would say as a banker that a dollar is fungible whether it's an ITC or it's an indigenous loan guarantee. A dollar is a fungible.

The Chair: Thank you both.

Colleagues, we're going to our second round, and we are going to start that round with Mr. Tochor.

Mr. Tochor, you have five minutes.

Corey Tochor (Saskatoon—University, CPC): Thank you, Chair.

Thank you to the witnesses.

Minister, you've been ducking out of this committee for months now, and you're here, and I'm grateful that you are, but during this hour, we're supposed to go through the supplementary estimates and the main estimates for 2026-27, and then there's another hour to look at the management of the Canadian nuclear laboratories by U.S. companies.

I have five minutes to ask you questions about this important Canadian jewel in our nuclear industry, the management of which is being sold out to an all-American-owned group of companies.

How big a role did the Prime Minister have in putting together the government's policy on nuclear?

Hon. Tim Hodgson: It was zero.

Corey Tochor: The Liberals have proclaimed a buy Canada policy. How does that line up with selling out the controls of our nuclear labs to the Americans, with the Prime Minister having had zero input in this policy?

Hon. Tim Hodgson: The premise of your question is flawed. The management of nuclear assets is done by contract. There's a structure where it's done by contract—

Corey Tochor: I'm sorry, sir. That's not the question. The first question was about nuclear labs, and you said the Prime Minister had zero impact on the policy. On the buy Canada—

Hon. Tim Hodgson: No, let's not misquote me. I didn't say zero impact; I said zero involvement. Let's be clear. He had zero involvement.

Corey Tochor: He didn't have involvement, but he had an impact.

Hon. Tim Hodgson: No, he had zero involvement.

Corey Tochor: Which companies would you have met with on developing the nuclear policy?

Hon. Tim Hodgson: Are we talking about the nuclear strategy or are we talking about...?

Corey Tochor: All things are nuclear here, sir. We were supposed to have you for an hour, and I now have four minutes.

Hon. Tim Hodgson: I'm happy to answer your question. You just have to be clear what the question is.

Corey Tochor: The first question was on the buy Canadian policy of the government, and obviously you're ignoring that by going with a buy all-American-owned group of companies.

Hon. Tim Hodgson: No, that's not—

Corey Tochor: You talked about how the Prime Minister has had zero impact, as you said, or influence, and I wanted to know, as my third question, which companies have. Who have you been meeting with?

Hon. Tim Hodgson: Okay. I'm confused about your question. Are we talking about the nuclear strategy?

Corey Tochor: Which companies in the nuclear industry have you been meeting with in the last 10 months? You can get back to me with a written submission, if that's what you agree to.

Hon. Tim Hodgson: I've met with many companies. I'm happy to get it to you in writing, if that's helpful, but I'm happy to talk about it now too, if you'd like.

Corey Tochor: Well, can you talk about how this goes against buy Canadian when you buy American?

Hon. Tim Hodgson: We're conflating nuclear strategy and labs.

Corey Tochor: No, you're confusing it—

Hon. Tim Hodgson: Let's talk about the management of the labs. That is done by AECL. They decide, as an independent Crown, what is the most cost-effective way—

• (1605)

Corey Tochor: We went through this, sir. The board that made the decision was 100% appointed by Liberals, so it is the Liberal government that is—

Hon. Tim Hodgson: It's a Crown corporation, where their fiduciary duty is to act independently. They ran a process. They—

Corey Tochor: Square how buy Canadian is supposed to work, then. If they're all independent, are they not following your buy Canadian policy?

Hon. Tim Hodgson: The way it works is that when you go out for tender—I've done this many, many times—you get a series of tenders in. You evaluate those tenders against the criteria. You go

back with another set of questions and demands in your negotiation.

Some people fall away. You keep negotiating. Again, people fall away. At the end, there is one entity left, and—

Corey Tochor: I have limited time, sir.

On the processes, then, if you want to talk about how they excluded Canadian—

Hon. Tim Hodgson: There were no Canadians excluded.

Corey Tochor: We have learned that CNL—

Hon. Tim Hodgson: There were no Canadians excluded.

Corey Tochor: The VP from CNL informed the committee that one of the requirements for a successful bid for the GOCO was experience, which meant a winning bid had to come from outside of Canada.

You rigged the bidding process so that non-Canadian companies would receive this.

Hon. Tim Hodgson: The premise of your question is fundamentally wrong.

The ownership of the assets remains with Canada. The people who are managing it—99% of them—are in Canada and are Canadian.

Corey Tochor: It's 100% owned by the Americans. That's the concern I have.

Another important part, though, is—

Hon. Tim Hodgson: Are you—

Corey Tochor: No. This is my time. I have only five minutes of an hour that was promised to me.

The Chair: You actually have only 15 seconds.

Corey Tochor: I'll close with this, then.

You've been briefed a whole bunch on nuclear, obviously. You're very knowledgeable, sir. Is it easier to build a new heavy-water plant or build a domestic enrichment capacity for uranium in Canada?

The Chair: Give a brief answer, Minister.

Hon. Tim Hodgson: Is it easier to build one versus...? I'm not sure in what context.

Corey Tochor: We're going to need more heavy water in the future. We're also going to need enriched uranium. Both come from outside of Canada.

The Chair: Thank you both—

Corey Tochor: That you as the minister are not aware of which one we're going to build first, which one will be tougher or which one will cost more money is concerning for most people in nuclear.

The Chair: We can come back to that—

Hon. Tim Hodgson: I don't think that's what I said.

The Chair: We're going to move on to Mr. Danko for five minutes.

[*Translation*]

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

[*English*]

I'm going to stay on the nuclear theme, because this is a really important sector for Ontario in particular.

Canada is a leader in nuclear technology, which has the potential to help us meet our growing demand for clean, carbon-free electricity across the country.

My first question, Minister, is a big-picture one: How do you see nuclear fitting into Canada's energy production on a broad scale?

Hon. Tim Hodgson: That's a great question. Thank you.

To start at the most macro level, there are four or five countries in the world that would be characterized as tier one nuclear-capable countries, meaning they can go from the start of the chain in terms of mining the uranium to using their own reactor technology to generate, and do all the stages in between.

Canada is one of the very few tier one nuclear countries. It's built on the backs of a huge number of Canadian scientists, Canadian workers, Canadian miners and some great CANDU technology. We are also the second-largest uranium producer in the world, and we hold the largest high-grade deposits globally, which is a key part of expanding our exports to countries such as India, with which we just signed a \$2.6-billion supply agreement.

In just the past few months, the CNSC has approved two new uranium mining projects in the Athabasca basin, in this gentleman's home province of Saskatchewan: the Denison Mines Wheeler River project and the NextGen Energy Rook I project, both of which will support continued investment in Canada's nuclear fuel sector. The Patterson Lake south uranium mining project is also under regulatory review with the CNSC right now, and hopefully there will be good news on that coming soon.

When it comes to deploying nuclear reactors, we are making historic investments in Canada's nuclear sector, including a \$2-billion investment through the Canada Growth Fund in the Darlington new nuclear project, which will be the first small modular reactor built in the G7, helping to deploy investment across Canada's nuclear supply chain, which is one of the best in the world. We've also launched government-to-government discussions with Poland, where I was in the spring, as a potential adopter of Canada's CANDU technology for its second nuclear power plant site.

At the same time, we're working on a nuclear strategy that will lay out our vision to attract billions of dollars of investment and position Canada to continue to be a leader in nuclear innovation.

• (1610)

John-Paul Danko: It's really great to hear about the momentum in the nuclear sector and especially that our government is taking action to benefit all areas of Canada, including Saskatchewan.

In your opening statement, you spoke about us being at a rupture on the global geopolitical stage and the need for Canada to take a leadership role. That is highlighted by the disruption of global energy markets due to the war in the Middle East and the closure of the Strait of Hormuz.

Can you elaborate on what Canada is doing to respond to help bring down prices at the pumps and increase Canada's energy security?

Hon. Tim Hodgson: Since coming into office a year ago, our government, as has been noted, has cut taxes by 28¢ per litre, which is helping Canadians deal with this reality. We didn't ask for this war, but we have to deal with it. That includes the 10¢ cut in fuel excise taxes, which took effect this past Monday.

Canada's role right now is to bring relief for the energy supply shocks that we're all currently experiencing as a result of the conflict in the Middle East. We're supporting the International Energy Agency's largest-ever oil stock release by producing 23.6 million additional barrels of crude oil through both incremental production and delays of turnarounds at Canadian facilities.

This demonstrates the importance of the investment in energy infrastructure that has been made. For instance, the expansion of the TMX project has meant that Canada has increased oil exports through this pipeline by 100% relative to 2024 levels. The Trans Mountain pipeline has proposed a further 10% increase in capacity through a series of three optimization projects. Construction is expected to begin this August, and that project could be operational by as early as January 2027.

The Chair: Thank you, Minister.

Thank you, Mr. Danko.

We're going to move on now.

[*Translation*]

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

Mario Simard: Thank you very much, Mr. Chair.

I did a quick search. The indigenous loan guarantee program increased from \$5 billion to \$10 billion in March 2025, and it's for projects that can be up to a billion dollars.

In the case of the pipeline, if there were multiple proponents, the federal support could be around \$10 billion.

Is that correct?

[English]

Hon. Tim Hodgson: I believe there is up to \$1 billion per proponent. Yes, that is correct.

[Translation]

Mario Simard: So it could be as much as \$10 billion.

I want to go back to the Canada-Alberta agreement. Looking at it more closely, the cap on the price on pollution is \$130 a tonne.

According to what I've read about the Pathways Alliance, in order for carbon capture and storage projects to be cost-effective, the price per tonne must be at least between \$150 and \$160. In my opinion, carbon capture and storage would no longer be a cost-effective strategy if Alberta decided to set the price at \$130.

Once again, I'm appealing to your skills as a banker. There is no longer a business case for carbon capture and storage.

What are your thoughts on that?

• (1615)

[English]

Hon. Tim Hodgson: I don't think your characterization is accurate. We're in the middle of ongoing discussions. The MOU is clear that it is a package, and the proponent agrees that for the pipeline to move forward, the Pathways project would move forward. The carbon pricing formula that is being discussed between the federal government and the Alberta government would obviously be required to make the Pathways project economically viable.

I've said this before and I'll say it again: I would not bet against Canadian technology. In my career, having worked with many clean and conventional energy companies, I have watched how Canadian technology has systematically reduced the carbon footprint of our production. When I was at MEG Energy, I watched how new technologies reduced the carbon footprint of each barrel produced by 30%. As years go by, we will see more and more—

[Translation]

Mario Simard: I'm sorry to interrupt you, but I would like to add something in closing.

Pathways Alliance says it will be able to capture 95% of emissions. There is currently no project in the world that can do that.

[English]

The Chair: Thank you, Monsieur Simard.

We're going to Monsieur Martel for five minutes.

[Translation]

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

Minister, I want to talk about natural gas. We know that Canada has to be its own best natural gas customer.

Could you tell me about the developments that are intended to meet the energy needs of eastern Canada and our allies on the other side of the Atlantic?

[English]

Hon. Tim Hodgson: I'm sorry, but I'm not sure what you're asking. Are you asking about the development of energy resources in eastern Canada?

[Translation]

Richard Martel: I'm talking about the need for natural gas in eastern Canada and other countries.

You say that Canada would be a good customer for Europe. I wanted to know if there were any developments to meet those natural gas needs in eastern Canada. There are mining projects in the Far North, and there may be some in the east.

[English]

Hon. Tim Hodgson: Are you asking about European buyers of Canadian natural gas? I think that's what you're asking about.

When I was in Europe, in a number of meetings I had we had strong expressions of interest from multiple EU countries, from multiple non-EU countries in—sorry, I'm trying to be discreet here—Asia Minor and multiple non-EU countries in Europe that are interested in our natural gas.

I can tell you it's commercially sensitive, but several of those countries are in the process of inking contracts with different Canadian projects today.

[Translation]

Richard Martel: Is there a possibility that liquefied natural gas projects from the east coast will go to Europe?

[English]

Hon. Tim Hodgson: Again, that would be from a proponent. We don't decide if there is an LNG project in the east. What we do, if a proponent comes forward and says they want to do it and they have the support of the local jurisdiction and indigenous people, is we say yes.

What we see today is Nova Scotia very clearly wanting to develop its natural gas resources. Premier Houston has been very clear.

[Translation]

Richard Martel: Minister, let me now turn to the forestry sector.

We know that there have been decades of litigation and temporary agreements.

Can you explain to forestry workers in my region of Saguenay, among other regions, why the government has still not managed to secure lasting solutions with the Americans on softwood lumber?

• (1620)

[English]

Hon. Tim Hodgson: As someone who grew up in a forestry town and knows what it's like to be in a small town where the mill closes, I understand the challenges of the constituents in your riding. The reality is that we can't control what the Americans do. We have had free trade for almost all goods in this country since the 1980s. Unfortunately, with respect to forest products, we're in our fifth trade war with the Americans.

We have gone to the World Trade Organization, and we've used the adjudication routes through the different free trade agreements we've had. We have won every time, yet the Americans continue to foist upon us unjust, unfair and illegal tariffs.

What's the old saying? The definition of insanity is doing the same thing over and over again and expecting a different result. The reality of our situation, unfortunately, is the way the money politics work in the United States. The U.S. forest lobby is never going to give us free trade in forest products, so we need to retool our industry. That's why we launched the transformation task force and worked with all of industry to come up with a plan to pivot the industry. As I mentioned in my remarks, we got their report—

[Translation]

Richard Martel: Have you ever assessed the current economic losses related to this dispute and their impact on our sector's competitiveness?

I understand that we're not able to reach an agreement, but have you thought about that?

[English]

The Chair: Give a quick answer, Minister, because we're already over time.

Hon. Tim Hodgson: Have I thought about what? I'm sorry; I didn't hear your—

[Translation]

Richard Martel: I wanted to know whether you have assessed the annual economic losses related to this dispute and their impact on our sector's competitiveness.

[English]

Hon. Tim Hodgson: The simplest way to think about it is that, with the current illegal set of tariffs the Americans are imposing, they have now collected, I believe, somewhere between \$10 billion and \$12 billion in unfair and unjust tariffs, and they're holding Canadian producers hostage with that tariff money.

The Chair: Thank you.

Colleagues, I've had a conversation with Mr. Clark, and he's agreed to cede some of his time to me. That is the chair's prerogative, which I will use today. I use it rarely.

Minister, I'm aware that you spent a good part of your life in Manitoba. I'm from Manitoba, as you know, and you're very familiar with the port of Churchill, Canada's only deepwater port in the north. You're also aware that we have been studying energy exports and critical minerals and their potential for our country.

Churchill is listed as a strategic priority by the Government of Canada, and I wonder if you could say a bit about your vision for the port of Churchill and how it might fit into diversifying our trade and realizing the potential of our energy and critical mineral resources.

Hon. Tim Hodgson: Thank you, and I will admit to being a Bombers fan.

The Chair: What about the Jets?

Hon. Tim Hodgson: The Jets weren't around when I was a kid, but I am a Jets fan, yes.

The port of Churchill plus project was referred to the Major Projects Office as an early-stage transformative strategy because of its potential to expand northern export capacity, enhance Arctic sovereignty and contribute to increased and diversified trade with Europe and other partners, as you well know, Mr. Chair.

As you also know, the MPO is working closely with the Government of Manitoba, with indigenous partners and with industry to unlock the port's full potential, which could include an all-weather road, an upgraded rail line, marine icebreaking capacity and potential new energy export opportunities, including LNG and other petroleum products. LNG is key to Canada's status as an energy superpower, and we've set ambitious goals for the industry for 2030 and beyond. Churchill could well play a part in that.

With the Canada-Manitoba project, under the one review agreement that was signed this week—well done—we're creating the conditions for nation-building infrastructure to advance in Manitoba.

• (1625)

The Chair: Thank you, Minister.

We'll go to Mr. Clark.

You have two minutes and 37 seconds.

Braedon Clark: Thank you, Mr. Chair.

Minister, as we get into spring and the weather continues to warm, we're entering wildfire season. We know that wildfires across the country are becoming increasingly severe and dangerous.

When I was growing up in Nova Scotia, wildfires were not really part of life for us, and three years ago, I remember being in my backyard and looking up at the sun and thinking that it looked a little strange, a little red, a little unusual. Then all of a sudden we had a fire just down the road from us, and 200-plus homes were destroyed overnight. Miraculously, no lives were lost, but coast to coast it's something we are dealing with in this country.

Could you give us an update on what the department is doing to strengthen the aerial wildfire response capacity of this country?

Hon. Tim Hodgson: Thank you for the question. It's a very important question, and as we come on fire season again, it's very poignant.

As you know, we continue to make significant investments to support wildfire management across the country, build Canada's capacity to respond to fires and enhance community safety. In the main estimates, you'll find that we're increasing funding by \$70 million to prepare and strengthen our response to wildfires. This brings our total funding to \$629.8 million through 2030.

This will support the procurement of equipment and four aerial water bombers. It will procure firefighting training for the provinces and incorporate indigenous knowledge into fire management.

Braedon Clark: In particular, the water bombers are critical. I know that there have been some situations in Atlantic Canada, for example, when we've had to shuttle them back and forth between New Brunswick and Nova Scotia. Enhancing that capacity is critical.

When it comes to critical minerals, which have been mentioned already, we know they're going to be one of the major, if not the critical, natural resources of the 21st century. Canada is a top five producer of 11 critical minerals. We have the reserves, we have the projects and we have the expertise to become a leading producer.

Can you share, Minister, what the government is doing to grow the critical mineral sector and attract investment in that really important industry?

Hon. Tim Hodgson: Yes, and thanks for the question. It is incredibly important.

As we all think about that vignette of President Trump lecturing President Zelenskyy about how he has no cards, I think every night as I go to bed about how to make sure we have the very best cards we can.

Some of our very best cards are our critical minerals, because quite frankly, Canada has what the world needs. Our critical minerals are strategic assets that are important not only to our national and economic security, but also to our allies' national and economic security, and that puts cards in our hands.

We're committed to constructive engagement with the U.S. to build a new economic and security relationship using our critical minerals. At the same time, we're taking a leadership role through the critical minerals production alliance to deepen our existing critical mineral co-operation with allies around the world to respond to deliberate market manipulation by other countries.

So far, as part of our efforts to rally all of our allies, we've announced 56 different partnerships with every one of our G7 allies, including—and I might not get the list completely right—Denmark, Norway, Finland, Japan and Australia. There are a couple of others in there.

• (1630)

The Chair: Thank you, Minister. That's our time with you today. I really appreciate your testimony and responding to questions.

Thank you, colleagues, for your exchanges.

Minister, you've heard a variety of views around the table. That's quite normal, but this committee is working very well together.

Corey Tochor: I have a point of order.

The Chair: I'm just going to finish.

Corey Tochor: I have a point of order, though.

Minister, when are you going to come back for the full hour and complete the nuclear study?

The Chair: That's not a point of order.

We will suspend while we set up the next panel.

• (1630)

(Pause)

• (1635)

The Chair: Colleagues, we're back in session. Welcome back. That was a good exchange with the minister. We're going to resume the meeting.

Pursuant to Standing Order 81(4) and the motion adopted on Thursday, March 26, the committee is resuming consideration of the main estimates for 2026-27, referred to the committee on Thursday, February 26.

I would like to welcome our new witnesses, who join officials from the previous panel. These are folks I haven't mentioned yet.

The whole NRCan family is here. Welcome, family.

From the Canada Energy Regulator, we have Tracy Sletto, chief executive officer. Welcome back, Tracy. We also have Jason Reid, executive vice-president, people, innovation and results, and chief financial officer; and Chris Loewen, executive vice-president, regulatory group.

From the Canadian Nuclear Safety Commission, we have Stéphane Cyr, vice-president, corporate services branch, and chief financial officer; and Colin Moses, vice-president, regulatory affairs branch, and chief of communications.

Let me make a few comments for the benefit of the new witnesses. Please wait until I recognize you by name before speaking. This is a reminder that all comments are made through the chair. Each agency will have five minutes for their opening remarks, after which we will open the floor to questions.

Ms. Sletto, you have the floor for five minutes or less.

Tracy Sletto (Chief Executive Officer, Canada Energy Regulator): Thank you very much.

Good afternoon, committee members. Thank you for inviting the Canada Energy Regulator to appear as part of your study on the main estimates.

My name is Tracy Sletto. I'm the CEO of the CER. I am joined today by Jason and Chris, as mentioned. In my opening remarks, I will provide a brief overview of the CER's mandate and the 2026-27 main estimates, including how our funding is allocated and what it supports in practice.

I would also like to acknowledge that we are meeting on the unceded, ancestral and traditional territory of the Algonquin Anishinabe nation, who have lived on and cared for the land now known as Ottawa since time immemorial.

[Translation]

Before I begin my discussion of the estimates, I will give a brief overview of who we are.

The CER regulates energy infrastructure in a way that prevents harm and ensures the safe, reliable, competitive and environmentally sustainable delivery of energy across Canada. This applies to any pipeline that crosses a provincial or international boundary, and powerlines that cross an international border.

In addition to being a safety regulator, our mandate also includes a key economic role in financial regulation through the oversight of pipeline tolls and tariffs.

The CER regulates exports of energy products and oil and gas exploration and drilling in certain northern and offshore areas of Canada. The CER also has a mandate to provide information on energy matters.

Finally, we provide data and analysis that inform decision-making and dialogue on energy in Canada. All of our work is undertaken in a manner that respects the rights and interests of first nations, Inuit and Métis. In everything we do, safety and environmental oversight are always at the forefront.

• (1640)

[English]

The CER's operations are funded from parliamentary appropriations, and the Government of Canada recovers approximately 95% of the CER's cost from regulated industry.

I'd now like to give context to the CER's main estimates for 2026-27.

The CER's planned spending is \$119.4 million, allocated across four core responsibilities. Safety and environment oversight accounts for \$30.7 million, which supports the setting and enforcing of our expectations for regulated companies across the full life cycle of energy facilities. Energy adjudication receives \$29.6 million, supporting the CER's commission decision-making on applications, hearings and regulatory processes. Our engagement core responsibility is funded at \$11 million, enabling engagement and consultation with indigenous peoples and stakeholders nationally and regionally through open and responsive dialogue. Energy information receives \$5.3 million to support the collecting, monitoring, analyzing and publishing of energy information for Canadians. Lastly, internal services enables the delivery of the four core responsibilities, with \$42.9 million dedicated to management oversight, communications, legal, financial and human resource management, and IT functions.

Within these totals, transfer payments represent \$10.6 million of the CER's budget. These funds are used specifically to support indigenous peoples and stakeholder participation in CER activities, including adjudication, engagement, safety and environment oversight.

As indicated in our 2026-27 departmental plan, our core responsibilities are guided by four strategic priorities, which are to foster trust and confidence by effectively delivering on our mandate, to enhance Canada's global competitiveness through leadership in regulatory innovation and best practices, to advance reconciliation and implement the United Nations Declaration on the Rights of Indigenous Peoples and to prepare for the energy future by offering energy expertise.

Throughout 2026-27, we will continue to modernize our regulatory framework and streamline our processes. This includes initiatives identified in the CER's "Red Tape Review Report", such as launching a new digital portal, significantly reducing decision timelines for routine pipeline applications, removing outdated and unnecessary reporting requirements, and updating our onshore pipeline regulations.

In closing, I would like to thank you for giving us the opportunity to speak with you today. I very much look forward to your questions.

The Chair: Thank you, Ms. Sletto.

Now we're going to Mr. Moses.

You're up for five minutes.

[Translation]

Colin Moses (Vice President, Regulatory Affairs Branch and Chief Communications Officer, Canadian Nuclear Safety Commission): Thank you, Mr. Chair.

[English]

My name is Colin Moses. I'm vice-president of regulatory affairs, and I'm pleased to present here today. I'm representing the Canadian Nuclear Safety Commission. I'm here on behalf of President Pierre Tremblay, who is currently in New Brunswick meeting with indigenous nations and communities.

[Translation]

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

Canada's nuclear sector is growing quickly, which means greater regulatory effort is needed. The Canadian Nuclear Safety Commission, or CNSC, emphasizes strong regulatory oversight. We focus on the most important elements of safety and we adapt new technologies and projects while maintaining our commitment to never compromising safety.

[English]

For nearly 80 years, the CNSC has served as Canada's independent nuclear regulator. As a life-cycle regulator, we provide rigorous independent oversight to ensure that Canada's nuclear supply chain and all nuclear-related activities meet the highest standards of safety, security and environmental protection. The commission is a quasi-judicial administrative tribunal independent from political, government and private sector influence, with exclusive jurisdiction over nuclear safety in Canada.

[Translation]

Public trust in the CNSC is essential to the conduct of all nuclear activities in Canada. We are seeing increased interest in nuclear energy, which makes it more important than ever to communicate clearly with the public we serve, to be transparent and collaborative, and to maintain a delicate balance between the interests of proponents and those of licence holders, first nations and indigenous rights holders.

• (1645)

[English]

As an agent of the Crown, the CNSC upholds its duty to consult with indigenous nations across its regulatory activities. We are committed to long-term relationships with indigenous nations and communities and to advancing reconciliation. Through collaboration and ongoing monitoring and oversight, we help ensure indigenous rights and interests are protected, including by supporting participation and providing funding.

We operate with a cost-recovery model that ensures our regulatory effort scales with industry activity while limiting impact on taxpayers. Seventy to seventy-five per cent of our costs are recovered directly from the nuclear industry, with 100% cost recovery applied to class I nuclear facilities, which include nuclear power plants, nuclear waste facilities, and uranium mines and mills.

Close to 80% of our costs are salary-based, reflecting the highly technical and specialized nature of our work. Reactor refurbishments, new mine construction and new nuclear projects, including both large reactors and small modular reactors, drive a higher regulatory workload. This is reflected in our planned spending in 2026-27.

In short, the CNSC manages its resources carefully with a financial model that ensures rigorous, independent nuclear oversight, clear accountability, and value for money.

As our workload increases, the CNSC remains focused on strong oversight and value for money. Under our cost-recovery model, we are reducing efforts in areas of lower safety significance so that resources are concentrated where they matter most.

We work with industry and industry associations to identify opportunities to streamline regulatory processes, including removing duplication, modernizing outdated requirements and improving how information is reported—without weakening oversight.

The CNSC also coordinates and collaborates as lead with federal and provincial partners to reduce duplication and support efficiency. This includes our current work to support effective delivery of four active, interrelated impact assessments for major projects such as the deep geological repository and new nuclear builds for Wesleyville, Bruce C and Energy Alberta.

All this effort contributes to delivering results. In the last year, the commission issued several significant licensing decisions, including two licences to construct new uranium mines and mills in Saskatchewan and a licence to construct Canada's first grid-scale SMR at the Darlington new nuclear project site, making Canada the first G7 nation to start constructing an SMR.

These decisions, along with major licensing renewals, licensing amendments and other regulatory oversight, demonstrate the effectiveness of our regulatory process and our capacity to respond to growing demand.

[Translation]

In conclusion, the Canadian Nuclear Safety Commission has two key priorities: protecting all Canadians and the environment through rigorous monitoring of current nuclear operations and preparing Canada for nuclear power in the future.

[English]

Thank you for the opportunity to be with you. I look forward to your questions.

The Chair: Thank you, Mr. Moses.

Thank you to both organizations for appearing as witnesses before us today.

We are going to questions.

Go ahead, Ms. Stubbs.

Shannon Stubbs: Thank you, Chair, and thank you to all the officials for being here today and for your service to Canada.

Ms. Sletto, a lot of Canadians are trying to figure out the interplay between the MPO and the Canada Energy Regulator. I wonder if you can help us understand a project like the north coast transmission line. It has been referred to the Major Projects Office, which has been set up for about a year now. Can you tell Canadians what step that project is on at the MPO? It appears to have an eight-step system. How does the interplay between the MPO and the Canada Energy Regulator work?

Tracy Sletto: I will perhaps clarify as the Canada Energy Regulator that that project would not be in our jurisdiction. That one, from an energy regulation oversight perspective, is currently being overseen by the British Columbia Energy Regulator.

That isn't something I would be able to speak to today, nor would I be able to provide you with any further information about the Major Projects Office.

Shannon Stubbs: That's because of the equivalency agreement.

If a project comes up that would have to be adjudicated by the Canada Energy Regulator, when a project gets referred to the MPO, at what point do you interplay into the system?

Tracy Sletto: I would clarify that we would be working closely with the Major Projects Office on any energy regulated infrastructure that would be under the CER's jurisdiction. In the case of the project you're referencing right now—

• (1650)

Shannon Stubbs: Right. For projects under your jurisdiction, what would be the interplay?

Tracy Sletto: On any project that would be designated under the Major Projects Office, we would be working very collaboratively with the Major Projects Office in terms of the processes that are set out in the Building Canada Act. We would ensure that we're doing our part as the lead regulator for that energy infrastructure, making sure that the legislation we need to implement is carried out.

Shannon Stubbs: It's wild that the government seems to think there needs to be a \$275-million office to tell you, the regulator, what to do and proponents where they have to go.

In September, NRCan said at this committee, "The goal is to get those assessments down to under two years for all projects." That's the goal that both the Prime Minister and the minister have cited, although the government rejected my amendment to insert the two-year timeline into Bill C-5.

Could the officials from NRCan tell Canadians what concrete steps you're taking to reduce assessments, in a recommendation one way or the other, down to two years?

Greg Orencsak (Deputy Minister, Department of Natural Resources): I'll start.

The government is committed to a "one project, one review" process to ensure that major projects such as pipelines and nuclear facilities have a coordinated assessment that receives federal decisions within two years—

Shannon Stubbs: I know the government said that, except, as you know, they've created the MPO, a new organization with the Canada Energy Regulator, the Impact Assessment Act and the

clear regulator. There are four regulators, all kinds of projects and all kinds of windows, it seems, so far.

Greg Orencsak: To give you a concrete example, the co-operation agreements that are being entered into with the provinces help streamline regulatory approvals, help accelerate project reviews and help reduce duplication.

Shannon Stubbs: Of course, that doesn't require the creation of a whole new office for \$275 million. It shouldn't even take that much time for the federal government to just respect jurisdiction and make those agreements with provinces. It could have been done immediately after the last election, actually.

It seems to me that at a year into this government's mandate, it is fair for Canadians to have expected them to take the default approach to respecting provincial jurisdiction and the Constitution. If they had, there wouldn't be these issues.

My colleagues will continue with questions further on during their opportunities.

At this time, Chair, I will move a motion that I put on notice for all committee members. I move:

That the committee require the Department of Natural Resources, the Canada Energy Regulator, the Canadian Nuclear Safety Commission and the Northern Pipeline Agency to each provide four updates on the to-date implementation of their respective departmental plans for 2026-27 to the committee; the first set of updates shall be provided to the committee by no later than June 5, 2026; the second set of updates shall be provided to the committee by no later than September 18, 2026; the third set of updates shall be provided to the committee by no later than December 4, 2026; and the fourth set of updates shall be provided to the committee by no later than March 5, 2027; immediately following the reports being provided to the committee, the clerk be automatically instructed to invite the Minister of Energy and Natural Resources to appear before the committee, for one hour, on the implementation of the departmental plans and on his mandate, and to invite officials from each department and agency to appear before the committee on the implementation of their respective departmental plans and on the mandates of their departments or agencies.

The Chair: Thank you, Ms. Stubbs. That motion was on notice and is in order.

Go ahead, Mr. Hogan.

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

We can't support this fire-and-forget approach to calendar and committee management. It's unnecessary. The minister has made himself regularly available. It's burdensome. We've received departmental status results reports. We have an established mechanism through which departments provide updates.

This asks for a lot of reports. We can always ask for more information. We don't need to slow down departments with broad status report obligations. We can always ask for more information.

This motion fetters this committee. It makes us less able to respond to events as they are and to issues as they come forward. We of course understand why the opposition is bringing it up at this time, but it's just bad practice.

I recommend that we just call the vote.

The Chair: We'll call the vote.

(Motion agreed to: yeas 5; nays 4)

The Chair: Thank you, colleagues.

Ms. Stubbs, you still have.... Oh, it's over time. I'm sorry.

● (1655)

Shannon Stubbs: Yes, I was trying to be on time to not interfere with any other member's ability to ask questions.

The Chair: Yes, thank you, Ms. Stubbs.

Shannon Stubbs: Thanks, officials.

The Chair: We're going to Mr. Hogan.

Corey Hogan: Thank you, Chair.

It's motion hour, apparently, here at the natural resources committee.

I'm also going to move a motion. It was put on notice on March 26. I'm going to read it into the record.

[*Translation*]

I believe Mr. Simard would like to put forward an amendment to my motion.

My motion is as follows:

Whereas, Canada has an interest in energy self-sufficiency and energy security,

Pursuant to Standing Order 108(2), the Standing Committee on Natural Resources holds no less than 4 meetings to conduct a study on domestic Canadian energy security;

That the committee present a report to the House on its findings and recommendations; and

That, pursuant to Standing Order 109, the committee request that the government table a comprehensive response to the report.

That's it.

The Chair: Okay.

Mr. Simard, you have the floor.

Mario Simard: I just want to point out that Mr. Hogan's French is starting to be outstanding. On the next trip, I won't be the only francophone with Mr. Malette.

I think we sent you the text of the proposed amendment because it's quite long. I'll read it quickly.

I move:

That the motion be amended by deleting the preamble and replacing the words "holds no fewer than 4 meetings to conduct a study on domestic Canadian energy security. That the committee present a report to the House on its findings and recommendations;" with the words "the Standing Committee on Natural Resources undertake an in-depth study on Canada's electrification, energy self-sufficiency and domestic energy security, with a particular focus on:

- (a) Assessing the full potential of clean electricity technologies;
- b) Examining the challenges and solutions related to peak-power demand;

(c) Examining the government's role in market diversification and industry development;

(d) Determining the importance of the clean electricity sector in achieving net-zero emissions targets;

e) Analyzing the implementation of public policies aimed at supporting electrification;

f) Examining issues related to Canada's energy self-sufficiency and domestic energy security; and

g) Respecting the jurisdictions of the provinces and territories.

That the committee invite any witness that it deems relevant to testify;

That the committee hold at least six meetings as part of this study;

That the committee report its findings and recommendations to the House; and

That, pursuant to Standing Order 109, the committee request that the government table a comprehensive response to the report.

We have discussed this, Mr. Chair, and I think everyone agrees with this proposal. It is done by consensus, in love and friendship.

The Chair: Thank you, Mr. Simard.

[*English*]

Colleagues, the amendment is in order. I think everyone has it.

Go ahead, Ms. Stubbs.

Shannon Stubbs: Monsieur Simard, is it your intent to have individual studies, with one related to electricity transmission and power demand and then a separate study related to Canada's energy autonomy and Canada's internal energy security, or do you see this all as one? Are you pitching that all of this would be as one?

● (1700)

[*Translation*]

Mario Simard: I'm sorry, the interpretation was not working so I didn't understand all of your question.

The interpreter doesn't need to apologize every time she has difficulty because of witnesses who speak too quickly.

Ms. Stubbs, can you repeat your question?

[*English*]

Shannon Stubbs: I'm also the worst offender for speaking too quickly.

I'm wondering if your aim here is to have two separate studies. Would the one on the electrification, transmission and power demand issues that you're trying to get into be separate from a study on internal energy security and energy autonomy writ large? Do you want to decouple those, or do you want one study that does all of it? Is there really enough time?

[*Translation*]

Mario Simard: Basically, it's more of a study. It's easy to explain. The committee did a study on electric energy. Unfortunately, Parliament was prorogued, and there was no report on that study.

In the context of the study on energy exports, we talked a lot about oil and gas. We did address the issue of energy security, perhaps in a roundabout way. The department responsible for electrification may be presenting policy directions soon.

I think it would be in our interest to look at this in six meetings, which would leave a bit of time to discuss other matters. I wanted to have specific aspects so that we could keep them in mind when we invite witnesses. That's how I see it. That would allow us to complete our study.

We've already discussed this. I even talked a bit about it with MP Claude Guay. I remember that, in the past, no one agreed to go back to testimony given during a previous study and use it to prepare a report for a future session. That is because some of the members who were on the committee during those studies are no longer members. In addition, members who were not on the committee during those studies would not want to study that. We talked initially about doing a six-meeting study on this. We thought that was the direction we wanted to go in. I think that makes sense.

[English]

The Chair: We have the amendment on the floor.

Do we need a vote? Is there consensus?

(Amendment agreed to)

(Motion as amended agreed to)

The Chair: I'll ask Ms. Stubbs to take the chair.

Colleagues, I want you on your best behaviour. I'm going to ask Ms. Stubbs for a report.

The Vice-Chair (Shannon Stubbs): I'll be on my best behaviour because I'll be well taken care of. The clerk will make me look like I know what I'm doing.

We will resume our questioning. We will go to Mr. Simard for six minutes.

[Translation]

Mario Simard: Thank you. So—

[English]

Corey Hogan: Madam Chair...

The Vice-Chair (Shannon Stubbs): Oh, the clerk thought you had completed your questioning round. Did you have more to go?

Corey Hogan: I did.

The Vice-Chair (Shannon Stubbs): Look at me, saying I would be on my best behaviour. Then I try to cut you off as my very first move.

Go ahead.

[Translation]

Corey Hogan: Thank you, Madam Chair.

[English]

Thank you all for being here. I greatly appreciate every time we get to talk to our professional public service. I also really enjoy ev-

ery time we talk to Calgarians. It's a win-win for me right now. I'm super pleased to be here.

I'm hoping we can start with some table setting. It's a good opportunity to get your thoughts as to where the puck is going, what you think will be new or change this year and how the estimates support and reflect that.

Mr. Orencsak, you can start, and perhaps we can then hear from Ms. Sletto.

• (1705)

Greg Orencsak: Thank you for the question with respect to the estimates for the department.

As the minister mentioned, we're seeking budgetary authorities in the order of \$4.9 billion for this year. That's a reduction from last year, when they were \$5.1 billion.

Some of the increases reflect additional spending on the government's priorities. For example, the estimates reflect recent budgetary announcements about the critical minerals strategy and the critical minerals infrastructure fund. We're also contributing to the government's trade infrastructure strategy for investments in the first and last mile fund, for example.

There's also an increase in the biofuels production incentive program. That's in direct response to some of the U.S. policy changes. We're also seeing increases in the smart renewables and electrification pathways program of \$150 million in this year's estimates. We are also seeing some changes in investments for forest fire management, including what the minister talked about in relation to additional capacity and aircraft to fight forest fires, including in the upcoming firefighting season.

Corey Hogan: Thank you.

Ms. Sletto, go ahead.

Tracy Sletto: The budget for 2026-27 for the Canada Energy Regulator, as described in my opening remarks, shows the kinds of investments we're making across some very key areas. I'll highlight a few that we think are quite important for the coming year.

In terms of our safety and environment oversight activities, we have very critical and important compliance verification activities and have continued delivery of inspection activities on the energy infrastructure that we regulate. There are 73,000 kilometres of pipeline in Canada, for example, that we want to ensure are operated and maintained in a safe manner. The joint inspection activity and compliance verification activity are funded largely through the allocation to our safety and environment oversight area.

In our energy adjudication area, I'll just highlight some significant investments that we've been making and will continue to make with the appropriation that is granted to us in improved decision-making, in streamlining and in improved efficiency. That's both in the core responsibility and in the internal services that support it.

I'd highlight the investment in and launch of something called the CER portal, which was just updated and released, with some critical updates this spring. It helps to digitize and automate how a regulated industry would interact with the regulator and how we would manage and support decision-making processes with those efficiencies in mind. We see it in the very tangible results with respect to the timeliness and efficacy of our decision-making processes. There are some real improvements there.

There's just one other area I'll highlight, and that's with respect to our energy information area. We continue to deliver very high-quality and really focused energy information and analysis to Canadians, including with Canada's energy future report, which was released some weeks ago. It was very well received, and it provides information and analysis that helps inform the energy dialogue in Canada. This, market snapshots, other provincial-territorial profiles and those kinds of products are what the funds that are appropriated to the CER really help to support.

I can give you numerous other examples, but I wanted to highlight those in response to your question. Thank you for it.

Corey Hogan: Thank you both. I really appreciate it.

I heard about an enhanced focus on critical minerals. I heard about biofuels and responding to the United States. I heard about smart renewables and the importance of electrification. I heard about forest fire management. I heard about efficiencies, timeliness and allowing future development to occur with speed. I appreciate that those priorities of the government are being reflected in the work of the department and the agencies.

I wonder whether anybody here would like to take a crack at explaining how they see, perhaps in the future, the committee thinking about how the department will approach work as the relationship with the world continues to evolve. Also, as we start looking even more at expanding to international markets, how might that affect the work as interpreted through the estimates?

Greg Orencsak: Maybe I'll take a crack at that.

Canada continues to be, and continues to play a role as, a reliable supplier in global energy and resource markets. That's particularly important today, as we see more disruption in the world, including in the Middle East. What that will mean for the department is taking more coordinated actions on the international scene as they relate to our energy security needs and our energy sovereignty, including through increasing the supply of oil and LNG to our allies.

• (1710)

The Vice-Chair (Shannon Stubbs): That's brilliantly on time—

Greg Orencsak: That is helping to stabilize global markets, but it's also helping to advance the country's economic interests. I think you'll see similar activities related to securing our supply chains for critical minerals, working with like-minded partners.

The Vice-Chair (Shannon Stubbs): That's the end of the round. I gave some leeway so that you could get a full answer.

Corey Hogan: Thank you very much. I appreciate it, Chair.

The Vice-Chair (Shannon Stubbs): Now we'll go to Monsieur Simard for six minutes.

[*Translation*]

Mario Simard: Thank you very much, Madam Chair.

I hope someone will be able to shed some light on this for me. Earlier, I asked the minister about the funding for the pipeline going west. I asked him if public funding was possible, and he said it was possible through the indigenous loan guarantee program.

That program has increased from \$5 billion to \$10 billion, with a maximum of \$1 billion per project or proponent. As far as the pipeline is concerned, the cost is estimated at between \$30 billion and \$40 billion.

Could that be divided up somehow so that a number of indigenous communities could be involved in the funding?

That way, we could, for instance, reach the maximum of \$10 billion in loans for indigenous communities.

Is that part of the analysis done by the department?

[*English*]

Greg Orencsak: Maybe I'll take a crack at your question on the loan guarantee program.

You're right. The government made a commitment to a \$10-billion indigenous loan guarantee program. In practice, how that supports the construction of a future pipeline will depend on the proponent that comes forward and the support that the proponent is able to garner through their work with indigenous communities. We'll have to wait to see that in terms of the specific indigenous participation and how indigenous ownership and participation could be financed through programs by the Government of Canada, but potentially throughout—

[*Translation*]

Mario Simard: I'm sorry to cut you off, but I want to clarify something.

Hypothetically, would it be possible for 10 indigenous proponents to be involved with the pipeline and to raise \$10 billion?

[*English*]

Greg Orencsak: The program could provide—

The Vice-Chair (Shannon Stubbs): The interpreters are having a challenge because you're wonderfully, diplomatically soft-spoken. If you could raise your voice a bit, that will help them out.

Greg Orencsak: I appreciate that. I'm happy to do that.

It's a \$10-billion loan guarantee program. It will depend on the loans that the program backs, but I think, hypothetically, your math can work.

[Translation]

Mario Simard: Okay.

I didn't expect that much candour. Thank you very much.

With regard to the Canada Energy Regulator, you said earlier that you produce data, analyses and studies. I assume that estimating the cost of that infrastructure is part of your mandate. This pipeline would go west. I assume you conducted analyses on that basis to determine whether that type of infrastructure could be cost-effective.

I say that because I still remember the Parliamentary Budget Officer's analysis when he appeared before this committee and said that the Trans-Mountain pipeline would not be cost-effective over a period of 40 years based on the price charged to users.

Have you done that kind of analysis?

• (1715)

[English]

Tracy Sletto: Thank you for your question. It's an opportunity for me to clarify the kind of energy information and analysis that we conduct as part of our mandate, which is with respect to broad market analysis. It's about macroeconomic analysis and energy supply-and-demand scenarios. That's really the focus of our energy futures work. It would not be specific to any one project.

The kind of analysis that you just described is not what the role or the mandate of the Canada Energy Regulator would be with respect to its energy information work. Certainly—

[Translation]

Mario Simard: I didn't want to cut you off, but I wanted to tell you that someone, whom I find quite credible, came to speak to us earlier this week or last week. I'm referring to Rory Johnston, who is also doing studies on opportunities and markets for the oil sector.

I also spoke to the Minister of Energy and Natural Resources about Mr. Johnston.

Exploring markets goes hand in hand with infrastructure. If you don't have the infrastructure, you don't have access to markets. So I assume those are variables that you have to consider. Is that correct?

When the government wants to get involved in infrastructure construction and major projects, what is its starting point if it doesn't have analyses showing that these projects are viable and cost-effective, and that the economic impact of that infrastructure can be beneficial for all Canadians?

That's pretty scary, isn't it?

Isn't that the role of the regulator?

[English]

The Vice-Chair (Shannon Stubbs): Here's the worst news ever: We're at the end of the time. As an opposition MP, I hate to say that, so I wonder if they could submit answers.

We'll go to the next round. That will be five minutes for Corey Tochor.

Corey Tochor: What is the Canadian Nuclear Safety Commission doing to ensure that it complies with the Government of Canada's buy Canadian policy?

Colin Moses: The Canadian Nuclear Safety Commission's focus is on ensuring safety and security, the protection of the environment and Canada's alignment with our international agreements on the operation of nuclear weapons. We have no role in ownership decisions related to nuclear activities in Canada. Perhaps our colleagues from Natural Resources Canada might be a better placed to speak to those questions—

Corey Tochor: No, I'm just interested in the CNSC here.

You don't have a view of Canadian sovereignty or some of the slogans. You're not “elbows up”, then, it sounds like.

Colin Moses: Our role is to align to the mandate that's given to us by Parliament, which is focused on the regulation of nuclear activities. That's where we limit our focus.

Corey Tochor: I'm not questioning your loyalty to the country. I know you're a good Canadian. It's a little tongue-in-cheek, but it's important because of the climate that we're in.

To relate it to a real-world example, you get two applications for similar projects in a province at the same time. One is owned by an American company and one is owned by Canada. You give priority to the Canadian one, I'm assuming, but I'd like to hear from you.

Colin Moses: Again, the ownership of those specific projects is not our concern. Maybe to give you a very specific example, we had a similar situation in Saskatchewan recently. We had two coincident regulatory reviews looking at uranium mines and mills in northern Saskatchewan: the Rook I project and the Denison project. Both of those proceeded through our regulatory process in a coincident manner. We looked at the questions in parallel, worked with both proponents equally and held almost coincident commission proceedings—

Corey Tochor: We didn't give a preference to the Canadian one in the example that I asked.

You brought up Rook I. It was for over seven years that it was sitting at the regulator. We'll get back to that project later on in questioning.

You would be the licensing body that would license a new heavy-water production facility in Canada or a nuclear enrichment facility. Is that correct? That would fall to you.

• (1720)

Colin Moses: That's correct. We have licensed heavy-water production facilities in the past. There are no longer any of those facilities operational in Canada. Similarly, any conversion or enrichment activities would fall under the Canadian Nuclear Safety Commission's mandate.

Corey Tochor: That would be very concerning. It is a concern in the industry that those are the two critical elements. If we're talking about our energy security with nuclear, those would be the two weak elements.

I'm sure that you do forward planning and forecasting, but in the current path we're on, we're reliant on foreign states for our heavy water and our enrichment. Is that correct?

Colin Moses: Perhaps my colleagues from Natural Resources could speak to certain aspects of that question, but—

Corey Tochor: We don't enrich in Canada.

Colin Moses: —I would say that the history of CANDU technology involved the use of heavy water in the moderator of these reactors. That heavy water is used to moderate the neutron flow to facilitate the nuclear reaction, and as part of that—

Corey Tochor: We don't produce any of the heavy water in Canada anymore.

Between the two projects, which one could be easier to license? Would it be the heavy water one, which we're going to need? Also, with the GE Hitachi SMR coming online, we're going to need enrichment. Some forward planning by the department would have sketched out what that would look like. Which one is easier?

Colin Moses: If I could, I'll finish with the previous question.

As part of the initial preparation for the CANDU reactors and other research, a significant stockpile of heavy water was created, and that is maintained in Canada.

With respect to your question around our regulatory oversight, both would follow our rigorous regulatory review. We'd look at them against a series of different technical considerations, ensure that the proponent and we—

Corey Tochor: Which one is the easiest of those, sir? Is one going to be quicker?

Colin Moses: Both are looked at comprehensively—

Corey Tochor: So we're not going to pick which one we're going to need.

You brought up the NexGen Rook I project. It took over seven years to get approval. What is the CNSC doing to increase efficiencies and reduce bloated approval timelines?

Colin Moses: I appreciate the question.

The CNSC recognizes the importance of timely regulatory decisions. As part of that, we've reviewed our current internal processes. We've looked at and prioritized our work. We've actually refocused, given the scale of nuclear development in Canada, on current applications before us to ensure that we're ready and prepared to regulate those facilities.

In the case—

The Vice-Chair (Shannon Stubbs): That is the round, so you can finish your reply.

Corey Tochor: Could you build that out a little more in a written response? I think that seven years is way too long.

The Vice-Chair (Shannon Stubbs): That's the round.

Now we'll move to the parliamentary secretary for five minutes.

[*Translation*]

Claude Guay (LaSalle—Émard—Verdun, Lib.): Thank you very much, Madam Chair.

Thank you very much to all the officials for the work you do for all Canadians.

Mr. Orenesak, I'd like to talk about the first-mile and last-mile fund, which is included in the main estimates.

Can you explain how this fund can increase the viability of mining projects so that Canada can develop the immense resource deposits it has?

The committee did a study on critical minerals, so we are aware of Canada's strengths and the role the fund can play in funding the private sector. The idea is to make infrastructure more viable and to make it possible for our minerals, once they are extracted, to be delivered within Canada or to other attractive markets.

You can ask one of your assistants to answer if you wish.

[*English*]

Greg Orenesak: The first and last mile fund is a \$1.5-billion fund. The purpose of the fund is to help address some of the infrastructure gaps, which, if addressed, could help accelerate the development of new critical mineral resources and support the regions in which some of this activity takes place. It would support supply chains and would also help improve market access.

I'll give you some examples of how the fund would enable that. It could support the development of mining sites. If roads, infrastructure or transmission lines are required to enable those sites, those would be eligible expenditures from the fund. It could also help support midstream processing for priority projects.

The other way the fund can help accelerate the development of critical mineral deposits is in the recognition that a lot of these deposits are located in areas with indigenous interest and in indigenous territories. The fund also provides funding to support and enable indigenous engagement and participation throughout the mining value chain.

• (1725)

[*Translation*]

Claude Guay: Thank you very much for that comprehensive answer.

I also note that the contributions for the smart renewables and electrification pathways program have increased from \$222 million to \$372 million.

Mr. Orencsak, how does this increase reflect your department's priorities and the work you are doing to develop a more sustainable energy grid? We all know that it needs to be modernized.

[English]

Greg Orencsak: The total commitment from the department over a 15-year period is about \$4.5 billion for this program. It's helping with the objectives that you've outlined in a number of different ways. It's helping to support the deployment of grid modernization so that grids are up to date. It's helping to support projects associated with energy storage and renewable energy. It's helping to advance transmission projects across Canada. It's also helping with predevelopment and capacity building to support how communities are preparing to develop renewable energy projects and grid modernization projects.

If you're interested, I'm happy to provide examples of projects that have been funded by the programs.

[Translation]

Claude Guay: Does this program benefit indigenous communities?

[English]

Greg Orencsak: Yes. To be brief, it has provided funding for indigenous-owned projects already.

The Vice-Chair (Shannon Stubbs): Thank you.

Now we will move back to Monsieur Simard for two and half minutes.

[Translation]

Mario Simard: Thank you very much, Madam Chair.

I'll turn to you once again, Ms. Sletto. I'll try to be clearer.

The government has indeed announced its firm intention to increase trade corridors, increase the number of foreign partners and export more energy to other countries. That is not done on the back of a napkin. It is based on market analyses and analyses of infrastructure needs.

When Hydro-Québec wanted to export hydroelectricity to the United States, the Régie de l'énergie du Québec produced reports to determine the cost of the line that would have to be built and the economic benefits for Quebec. I assume that the federal government doesn't make decisions on the back of a napkin.

What I would like, as part of our study, and what could help us a great deal, is for you to provide to the committee your studies and analyses along those lines. If they don't exist, I'd be curious to know if there are any in the department because it's a decision-making process that involves vast sums of money.

I would like a bit more information about how decisions are made and what information they are based on. I would also like to know if you can table the studies here in committee so we can better understand where the government is headed.

Thank you.

• (1730)

[English]

Tracy Sletto: I might articulate it in this way. When I speak about our energy information mandate, that market analysis, those broad supply-and-demand scenarios and the long-term economic analysis and information we provide as part of that mandate would be very much in broad macroeconomic contexts. What you're asking about are specific project estimates and potentially cost estimates related to specific initiatives, and I would differentiate the energy information mandate from our energy adjudication mandate.

With respect to specific project decisions, when there's an application before the CER that's before our commission, during the quasi-judicial function of adjudicating any project that comes before the CER, part of the analysis in terms of either the safety regulatory oversight mandate we hold or the economic regulatory oversight mandate we hold—on toll and tariff matters, for example—would include that kind of economic analysis.

What you're describing is often provided in the context of project proponents bringing that information forward. That wouldn't be something the CER would develop itself.

[Translation]

Mario Simard: What you're saying is very interesting. I'd like to pick up on that quickly and ask the departmental officials something.

If we wait for a project proponent to arrive with the necessary information before developing strategies, how will government policies be established?

Money has been allocated in the budget. So, if you have documents, I would like the department to table them with the committee as well.

[English]

The Vice-Chair (Shannon Stubbs): Thank you, Monsieur Simard. I'm sure they will respond with documents to answer your questions.

We'll move to Monsieur Martel for five minutes.

[Translation]

Richard Martel: Thank you, Madam Chair.

I'd like to talk to you about forest fires. I know that you support the buy Canadian policy.

Could you clarify for me how spending on fire monitoring and prevention will result in direct contracts for Canadian specialized companies and OEMs?

[English]

Greg Orencsak: I'm going to ask Glenn Hargrove, who is the assistant deputy minister of the Canadian Forest Service, to provide more details.

I will preface that by saying that the department works closely with provinces and territories and the Canadian Forest Service to help coordinate those supports and interventions, but I will ask Glenn to speak to further details associated with that.

Glenn Hargrove (Assistant Deputy Minister, Canadian Forest Service, Department of Natural Resources): Thank you, Deputy. I'm very excited to get to use my name-card today.

I want to make sure that I'm answering the question that you're posing. We have a number of different ways in which we support the provision of information around wildfire and equipment for battling wildfire.

In terms of equipment, we have a program that provides funding to provinces and territories to purchase wildfire-fighting equipment. We do that through contribution agreements with those provinces and territories. We have 12 agreements across the country.

We also work to provide wildfire behaviour modelling and observation through the department and through our scientific teams. Those are offered throughout the wildfire season.

There's quite a range, so I want to make sure I'm answering your question to the fullest. Does that help?

[Translation]

Richard Martel: Recent data indicates that a third of our boreal forests no longer regenerate normally after fires.

What is your strategy to ensure the sustainability of the forest resource?

• (1735)

Glenn Hargrove: We are working with the provinces.

[English]

For example, one of the key focus areas of the two billion trees program is to rejuvenate areas that have been affected by forest fires. That's a key focus of that program, and while the program is winding down, we are honouring all the existing agreements under it.

We also have a number of researchers in a large science program that looks at the interaction between sustainable forest management and the impacts of wildland fire, including in the boreal ecosystem. We have researchers who are looking at how the increased frequency and severity of forest fires impact the regeneration of those areas, looking particularly at the impact when we have what are called short interval returns in those areas. We are doing research on the impacts and how they can be mitigated.

[Translation]

Richard Martel: If a third of burned forests fail to regenerate, your carbon sequestration strategy will be compromised.

Do you admit that your climate targets are based on a forestry model that is no longer valid?

[English]

The Vice-Chair (Shannon Stubbs): Give a brief answer. I'm allowing some time because you said there were issues with interpretation.

[Translation]

Glenn Hargrove: I'm sorry. My earpiece is no longer working.

[English]

You're right that it does have an impact on carbon stores. We take those sorts of things into account in how we monitor carbon flows in the boreal forest and other forest ecosystems.

The Vice-Chair (Shannon Stubbs): Thank you.

If there's anything you want to supplement to that, you can submit it to the committee.

For our final round of questioning, we will go to Mr. Clark for five minutes.

Braedon Clark: Thank you, Madam Chair. Thank you for the generous time allocations. You're much more generous than Mr. Duguid, I must say.

Voices: Oh, oh!

The Vice-Chair (Shannon Stubbs): Well, maybe you guys want another chair.

Braedon Clark: I wouldn't go that far.

The Vice-Chair (Shannon Stubbs): I thought we worked collaboratively.

Braedon Clark: We do, but there are limits to everything.

Similarly to what Mr. Martel was talking about, I want to talk about the forestry sector, so Mr. Hargrove, please stay here.

We know that it's a hugely important sector across the country. There are at least 300 communities and roughly 200,000 people in that sector. Of course, it's also dealing with a lot of difficulty at the moment, imposed mostly from abroad.

I know that the department was mandated to create the Canadian forest sector transformation task force. I'm not sure if this is a question for you, Mr. Hargrove, or for Mr. Orencsak. I'll let you guys stickhandle that. Could you give us an update on the work of that task force and what's going to come next out of that?

Greg Orencsak: I'll start.

The task force was launched to help advise on how to restructure and retool the forestry sector to increase its competitiveness and provide some advice to help with the sustainability of the sector over the long term.

The task force's report was received by the minister at the end of last week. We're currently in the process of reviewing the report. The minister will have more to say on next steps in the near future.

Braedon Clark: Mr. Hargrove, did you want to add to that?

Glenn Hargrove: I will just say that we're really grateful to the members of the task force. The co-chairs and all the members of the task force were extremely dedicated. They've contributed a lot of their time and expertise over the last 90 days.

We're really excited to receive their recommendations and to use them to inform next steps. They've done an excellent job, and we will continue to work through the road map that they have offered.

Braedon Clark: We all look forward to hearing more on that. Thank you for that update.

As the minister mentioned in the first hour, the contributions in the estimates for support of fighting and managing wildfires increased this year by about \$70 million, from \$80 million to \$150 million, so it nearly doubled. How is the department using these funds to better manage and deal with wildfires, which, as we know, are becoming more severe year over year, and more consistent, unfortunately, and are happening during broader swaths of the year?

• (1740)

Greg Orenesak: The additional funds—just over \$70 million in this year's estimates—are mainly being used to help supplement provincial and territorial aerial firefighting capacity. The department is working with the Canadian Interagency Forest Fire Centre to help lease and manage the deployment of wildfire aircraft throughout the upcoming fire season, depending on the demand that may exist, and to help improve our systems readiness and help support wildfire suppression efforts across the country.

Braedon Clark: Mr. Hargrove, perhaps I could ask you this.

Back 10 years ago, I worked for the natural resources minister in Nova Scotia. Over the ensuing 10 years, in talking to local and provincial firefighters, I found that coordination came up over and over again as one of the more difficult things when it comes to managing wildfires. How can the department be helpful, in that umbrella role, to make sure that when wildfires happen, as they inevitably do and will, we are as coordinated as we possibly can be to make sure that we're fighting these things as efficiently as possible?

Glenn Hargrove: That's a great question.

The deputy mentioned the Canadian Interagency Forest Fire Centre. That organization is owned by the federal government and the provinces and territories. Through CIFFC, as it's generally known, we work collaboratively across jurisdictions on things like resource sharing. For instance, when firefighters and equipment come from, say, B.C. to Nova Scotia, that's coordinated through CIFFC. We also work with them on coordinating firefighters from international jurisdictions who come to help us.

That's one of the reasons that we're working with CIFFC on the procurement and management of these new aircraft. It's so those can be managed within the framework of collaboration with the provinces and territories and to ensure that there's a collective effort to identify the greatest need and deploy those resources where they're needed most.

That's a really critical part of the system across Canada, and CIFFC plays an important role in that.

The Vice-Chair (Shannon Stubbs): Thank you. I gave you a bit of extra time so you could fully answer that question for the member.

Braedon Clark: Thank you.

Glenn Hargrove: We also, through Natural Resources Canada, provide grant money that is the federal support for their operating from a federal level.

The Vice-Chair (Shannon Stubbs): That is time. You can submit anything further if you'd like. Thanks.

On behalf of the committee, I want to thank all of the officials and witnesses for being here today. I know that these are short time spots. It's difficult for the MPs to ask questions in that time, and it certainly is a challenge for all of you to answer the questions in the time allotted, given the complexity, scale and scope of all the work you do in service of Canada.

Thank you for giving your time to us today and participating in this exercise of accountability. I'm sure we'll see you all again.

Colleagues, we have just two items that we'll finish off.

Witnesses, you can stay if you like, or you can go on with your lives now. Thank you.

Colleagues, we have to vote on the estimates since we just had a meeting about them. They are as follows:

ATOMIC ENERGY OF CANADA LIMITED

Vote 1—Payments to the corporation for operating and capital expenditures.....\$1,704,470,844

(Vote 1 agreed to)

CANADIAN ENERGY REGULATOR

Vote 1—Program expenditures.....\$105,900,587

(Vote 1 agreed to)

CANADIAN NUCLEAR SAFETY COMMISSION

Vote 1—Program expenditures.....\$54,062,479

(Vote 1 agreed to)

DEPARTMENT OF NATURAL RESOURCES

Vote 1—Operating expenditures.....\$884,836,089

Vote 5—Capital expenditures.....\$51,814,394

Vote 10—Grants and contributions.....\$2,455,233,835

(Votes 1, 5 and 10 agreed to)

NORTHERN PIPELINE AGENCY

Vote 1—Program expenditures.....\$540,000

(Vote 1 agreed to)

The Vice-Chair (Shannon Stubbs): Shall I report the votes, less the amounts voted in interim supply, to the House?

Some hon. members: Agreed.

The Vice-Chair (Shannon Stubbs): On the energy security and transmission motion that we moved collectively, I think there's an appetite to have witness lists submitted by May 1.

Is it the will of the committee to adjourn the meeting?

Some hon. members: Agreed.

The Vice-Chair (Shannon Stubbs): Thank you.

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