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# Standing Committee on Natural Resources

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Chair: Terry Duguid





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Tuesday, June 9, 2026

• (1245)

[English]

**The Chair (Hon. Terry Duguid (Winnipeg South, Lib.)):** Colleagues, I call the meeting to order and acknowledge that we are meeting on the unceded territory of the Algonquin Anishinaabeg nation.

This is meeting number 42 of the House of Commons Standing Committee on Natural Resources.

As you saw earlier, there was a last-minute change to the witness list for today's meeting. The representative from the Nukik Corporation in Nunavut was not available to secure an approved headset and therefore cannot testify.

Today's meeting is taking place in hybrid format. I remind participants, as I always do, to wait until I recognize you before speaking. For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking. This is a reminder to witnesses that the committee may ask questions in either English or French. If you need interpretation, take a moment now to prepare your earpiece and select the listening channel you need in advance, in order to take full advantage of the time allotted for questions and answers.

Pursuant to Standing Order 108(2) and the motion adopted on Thursday, April 23, the committee shall resume its study of Canada's electrification, energy self-sufficiency and domestic energy security.

On your behalf, colleagues, let me welcome our witnesses.

We have Christian Leuprecht, professor, Royal Military College of Canada and Queen's University, and Alex MacDonald, associate vice-president, Counsel Public Affairs, both as individuals.

Just to telegraph something to the committee, we are going until 1:30.

Thank you, Mr. Tochor, for that suggestion.

We'll get as far as we can. I may have to shorten some of your times after the first round of questions. The clerk will help me figure that out.

Gentlemen, you will each have five minutes.

Mr. Leuprecht, we will start with you for five minutes, sir.

[Translation]

**Christian Leuprecht (Professor, Royal Military College of Canada and Queen's University, As an Individual):** Thank you, Mr. Chair.

Thank you for inviting me to appear before the committee.

I will deliver my opening remarks in English, but I will be able to answer your questions in both official languages.

[English]

As of late, “wind and sun don't need to transit the Strait of Hormuz” has been the rallying cry of the sustainability crowd. That message resonates.

If only it were that simple.

Canada has been making huge financial bets on climate mainstreaming, the energy transition and any number of green investment vehicles. Canada's collective spending on clean energy has been averaging 1.1% to 1.6% of GDP a year, all of it on borrowed money. At a rough estimate of \$35 billion a year, for years, Canada has spent as much on the energy transition as it did on defence—or more.

Who profited disproportionately? It was Chinese companies, with Canadian renewable energy policies benefiting China by design through explicit and strategic efforts by China, such as monopolizing electrification, battery metals supply chains and manufacturing processes. It was hardly an accident that Canada intentionally opted to focus on solar and wind, the two energy sources for which Canada is most dependent on foreign—that is, Chinese—suppliers. Canada's energy policy is playing right into China's hands by subordinating, dividing and deindustrializing the country.

What do we have to show for Canada's largesse? A decade of the green bazooka has yielded modest results at best. Renewable energy is expanding at a glacial pace of 0.7% of total energy supply per annum. Targets the government had set for renewables for 2030 are beyond reach in just about every economic sector.

Since 2015, the proportion of renewables in Canada's energy mix has hardly budged, hovering around two-thirds. Rather than solar and wind, close to 60% of renewable energy in Canada is generated by hydroelectricity, while 27% of Canada's renewables are actually biomass—that is, burning wood and waste.

Decarbonization is linear, not exponential. The energy transition is lengthy, costly, bureaucratic and constrained by supply and grid limitations. Although decarbonization of electricity looks promising, electricity makes up just one-fifth of Canada's total energy usage.

Canada still depends on fossil fuels for over 70% of its energy needs. The transport, industry, heating, manufacturing and agriculture sectors are hard to abate, yet existential to our daily lives and economy. Even the most ambitious energy transition scenarios project that Canada will continue to depend on fossil fuels far into the 2030s.

To be sure, political opportunists have been positing a polarizing narrative of black or white choices between good and bad energy sources. That approach is dividing the country, on the verge of possible disintegration. Forcing an ideological policy choice that risks breaking up the country is necessarily an abject failure. It ignores the reality that Alberta's energy surplus effectively subsidizes social services across other provinces, notably Quebec. Far from a liability, Canadian energy is a strategic asset to leverage for allied, partner and global reliability, stability and prosperity.

Energy policy should never be a binary choice informed by climate dogma. Canada's zealous commitment to decarbonization turns out to be an expensive energy handicap, to the detriment of Canadian prosperity, security and sovereignty. Canada has long been a net exporter of energy, but at a time when the Prime Minister is touting a degree of decoupling from the United States, Quebec and British Columbia are now net importers of U.S. electricity, much of it generated by fossil fuels. If that's not an abysmal strategic policy failure, I don't know what is.

Political staffers and environmental lobbyists have become masters of glossy 2040-50 timelines while ignoring the challenge that Canada needs affordable and reliable energy and electricity in the short to medium term. Canada's providing long-term, reliable natural gas supplies to domestic consumers, as well as European and Asian partners and allies, also forestalls the temptation for European allies to revert to a Faustian bargain on energy supplies with Russia. Make no mistake: Canadian environmental ideology is driving high energy and electricity prices in Europe, which are responsible for the rise of the same right-wing populist extremists these ideologues abhor.

To be sure, Canada needs to support the clean energy transition, but realistically, not dogmatically. Canada's digital sovereignty depends not on misguided regulation but on abundant energy supplies for data centres, IT infrastructure and digital stacks. That requires Canada to invest heavily in the grid, especially electricity transmission and distribution. Nuclear energy is Canada's best bet to ensure a reliable supply of clean electricity while research and CNL push ahead with novel reactor design.

Canada needs a realistic energy transition while ensuring sufficient conventional energy transition supply. Insisting on energy austerity and penalizing the use of fossil fuels to meet arbitrary climate targets—targets that are impoverishing the country while driving up the cost of living at home and price volatility, energy austerity, conflict and hunger abroad—is not just utterly irresponsible but the most self-defeating policy approach in Canadian history.

● (1250)

Canada's energy and electricity policy needs a healthy dose of climate realism.

**The Chair:** Thank you.

We will now move on to Mr. MacDonald.

You have five minutes.

**Alex MacDonald (Associate Vice President, Counsel Public Affairs, As an Individual):** Thank you, Mr. Chair and committee members. It's a pleasure to be with you today.

My name is Alex MacDonald. I'm a public policy and government relations professional.

Today, I would like to speak to you about why Canada should begin the domestic enrichment of uranium for peaceful purposes. Doing so would enhance Canada's energy security and energy independence and allow us to recognize the full economic value of our vast uranium resource. While Canada's nuclear research has been vast and often on the leading edge, our domestic deployment of nuclear power technology has been necessarily specialized.

Historically in this sector, we have been a nation of CANDU reactors. This singular Canadian technology has influenced our nuclear supply chains and our domestic nuclear fuel cycle. The CANDU reactor's ability to operate on natural uranium has meant that Canada has never needed a domestic uranium enrichment capability. This is now changing, and it should prompt a strategic review of Canada's nuclear fuel cycle and supply chains.

The adoption of small modular reactor technology in Ontario marks the beginning of a fundamental shift in Canadian nuclear deployment, with cascading effects that will be seen in Canada's supply chains and fuel cycle. Simply, Canada will now need enriched uranium. The question is how much and whether it will be produced domestically or imported from abroad, with both scenarios starting with the raw resource produced here in Canada.

In light of this, it's time for Canada to reassess whether Canadian uranium should be enriched in Canada for peaceful uses. This topic is often fraught with misperception and erroneous statements. It's therefore worth clarifying that Canada, as a signatory of the non-proliferation treaty, can domestically enrich uranium for peaceful purposes without violating any international treaty obligation. To be clear, peaceful uranium enrichment is compatible with Canada's long-standing domestic and international non-proliferation commitments.

It is commonly misunderstood that only nuclear weapon states enrich uranium and that enrichment is synonymous with nuclear weapons. In reality, a number of non-nuclear weapon states peacefully enrich uranium to support the operation of the majority of the world's commercial power reactors. These include Germany, the Netherlands, Argentina, Brazil and Japan.

However, current global enrichment capacity is dominated by state-owned enterprises in countries that are adversarial towards Canada. According to recent estimates, Russia supplies 44% and China 16% of enriched uranium globally; Europe and the U.S. produce a combined total of 40% of the world's enriched uranium. Canadian policy has begun to respond to these market and geopolitical dynamics, but much more could be done.

In 2023, Canada and four other G7 nations, known as the Saporo 5, announced a civil nuclear fuel co-operation agreement, which resolved to establish a resilient global uranium supply market free from Russian influence and the potential to be subject to political leverage by other countries.

It is admirable that Canada is the first G7 nation to deploy an SMR, but Canada is also the only G7 nuclear nation without a domestic uranium enrichment capacity. While we may be pioneering the deployment of SMR technologies, we are not developing in tandem their full range of operational supports. Rather, we remain dependent on importing the fuel required to operate these reactors.

Therefore, as Canada and many of its allies deploy nuclear technologies that rely on enriched uranium, fuel security ought to become more of an imperative. The ecosystem for supporting the operation of these reactors is becoming just as critical as the regulatory pathways for building them on time and on budget. Many Canadians now appreciate that it is a strategic and economic loss not to refine more of our own oil in Canada.

Without a domestic uranium enrichment capacity, we are on track to make a similar but even worse mistake, because enrichment is the highest-profit step in the uranium value chain. If we do not harvest the economic benefit from enrichment, someone else will—at our expense. In this context, domestic uranium enrichment takes on strategic national energy and security importance, with significant economic export potential.

• (1255)

As Canada's and the world's demand for enriched uranium grows, there is a significant opportunity for Canada to enhance its energy superpower status both domestically and abroad by enriching its own uranium in Canada.

Thank you.

**The Chair:** Thank you, Mr. MacDonald, and thank you, Professor Leuprecht.

We will now move to questions and comments, starting with Mr. Tochor.

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

Thank you to our witnesses.

Dr. Leuprecht, we've suffered for the last 10 years under Mark Carney's anti-growth Liberal decarbonization plan. The result is that Canada is in a recession now. Are you surprised that it took 10 years to get to a recession?

**Christian Leuprecht:** The GDP per capita in this country has been flat over the past decade. That in itself, I think, should make us question the policies we've been pursuing. The real issue is that we think too much about ourselves. We've created high energy prices in the rest of the world, particularly in Europe. High energy prices in Europe don't just undermine.... At a time when we say we want to become more independent from the United States, they undermine productivity, undermine innovation and undermine centrist political voting patterns.

Most importantly, they effectively amount to a subsidy for Russia's aggression in the war in Ukraine. I've never understood how we can, on the one hand, pursue the policies we have and, on the other hand, say we're strong supporters of Ukraine when we pursue energy policies that do the exact opposite.

**Corey Tochor:** One of the energy policies is the Canadian green deal. Would you say that Canadian manufacturers are benefiting the most from this initiative?

**Christian Leuprecht:** Canada has incredible IP. I've long argued that if we engaged in a grand bargain by which we purchased more defence and other material from Europe, while Europe invested in critical infrastructure, hydrocarbons and critical minerals in Canada, the resources we would get from that would not just pay for what we're spending on defence but also help pay down our debt and provide for the shortfalls in social services and in our welfare state, which is suffering. At the same time, it would finance the energy transition.

On the energy transition, we know that, economically, the best value for every dollar you can get is ultimately in research and development of new technology. It's not in all sorts of subsidies for various special interests.

• (1300)

**Corey Tochor:** You said in your remarks that the subsidies for the panels and the wind turbines flow mostly to China. They own that market. Is that correct?

**Christian Leuprecht:** That is certainly where the technology is produced disproportionately, as a result of aggressive subsidies and as a result of effectively flooding the market in ways that Canadian enterprises cannot compete with at par. We have some very informative European Union studies on the problematic dimensions of Chinese trade policy, in particular when it comes to renewable energy.

**Corey Tochor:** There are a lot of concerns with China. Brookfield has a substantial financial interest in China. There's obviously a conflict of interest there.

You spoke about China. During the election, we had Mark Carney say that the biggest threat to our country was China, and now, after the election, he has a strategic alliance with that country. How can you square that circle?

**Christian Leuprecht:** We need pragmatic co-operation with China. As a middle power, Canada doesn't ever want to get caught in between a great power competition. It is clear that in terms of China's being the largest energy polluter in the world, it is in our interest to help China transition from coal, which is very inefficient, to liquefied natural gas, for instance. China also has some technology that is very favourable for us in terms of economies of scale.

At the same time, we need to make sure that the way in which we allocate the profits of Canadian taxpayers will benefit allied and strategic interests first and foremost and that it will not encourage predatory pricing and market policies by China. We also need to make sure that we protect Canadian intellectual property. One of my greatest concerns currently is that we still haven't learned from the past. We're still effectively giving away key critical infrastructure and key intellectual property.

**Corey Tochor:** Who is stealing it, mostly?

**Christian Leuprecht:** Well—

**Corey Tochor:** Country-wise or region-wise...

**Christian Leuprecht:** The story here is the Nortel story, which has effectively provided for the rise of the largest technology enterprise in China. That is well known to all of us.

My concern is that we need to engage with China in a way that this does not happen again, in terms of giving away—

**Corey Tochor:** We're doing it again. We're subsidizing Chinese companies and research and the stealing of our technology. It is going to come back to bite us, as in the example you gave.

I have one last question. What is the biggest flaw in Mark Carney's approach to electricity? If you had a magic wand and you could pick one policy to change, what would help our country instead of hurting it, as he is currently doing?

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

**Christian Leuprecht:** As I said in my opening statement, it's embarrassing that a country such as Canada has two of its largest provinces, Quebec and British Columbia—which are supposed to be energy-rich—importing fossil fuel-generated electricity from the United States. If you needed proof of the hypothesis that our national strategy on this has been an abysmal failure, I don't know what better proof we can find.

**The Chair:** Thank you to you both.

Mr. Danko, you have six minutes.

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

It's interesting to hear a wide range of conspiracy theories this morning. It's always entertaining at the natural resources committee. I cannot wait until my colleague opposite has his turn.

However, I will focus in on the domestic enrichment of uranium. I think that is a really interesting topic and is very timely, considering where we are in our climate goals and the doubling of our need for electricity in the next few years.

I look at the opportunities for electrification of Canada's economy, primarily buildings, transportation and industry. I'm in Hamilton. We have a lot of industry. Where I see a real opportunity for small modular reactors is in industrial generation.

I want to give you the opportunity to talk about the different technologies and how they might fit into industrial centres like Hamilton. In particular, if we're talking about the steel industry with electric arc furnaces, data centres or some of those traditionally really energy-intensive uses that would have relied on fossil fuels transitioning to nuclear, what are the best fits?

**Alex MacDonald:** Small modular reactors are very well placed to provide the necessary power for industrial applications. We're seeing that globally but, particularly in the U.S., companies are really starting to explore those partnerships and develop those technologies for industrial purposes that are very energy-intensive.

How this ties into uranium enrichment is that all small modular reactor technology that we know today and is being developed would require enriched uranium to operate. As I illustrated in my opening remarks, this is a technology new to Canada, because we've historically operated the CANDU reactor, which operates on natural uranium. In any sort of industrial application for which we're scoping an SMR or an even smaller reactor—say, a microreactor in the Canadian north—any deployment of that reactor technology would require enriched uranium. There have been lots of industry feasibility studies and whatnot, but I think, as we're seeing the adoption of the technology in North America as a whole, we're really seeing those opportunities and commercial viability come to pass.

Something unique about the region of Hamilton as well is that Hamilton has a historical steel industry that has supported the nuclear supply chain in Canada and North America. This industry would continue to see great viability and applicability of their skills as we see the development of SMR technology in North America.

• (1305)

**John-Paul Danko:** Thank you.

I definitely agree that Ontario has been a leader in nuclear for decades. It's interesting to see where the industry is going, and we want to be a part of that.

Part of the argument against domestic enrichment of uranium, as you touched on, is some of those international treaties and what we can and can't do. I'd also say it's public perception. When we're talking about—in this study specifically—energy security, we have raw uranium. We mine that here. We would otherwise be importing it. In terms of energy security, where would we be importing enriched uranium from?

Also, on the public buy-in part of that, if the public perception is that it could be for weapons or contribute to the global proliferation of nuclear weapons, how do we address those concerns with the general public?

**Alex MacDonald:** That's an excellent question.

Beginning with public perception, social licence is very important for this. There has to be an effort made by industry and government jointly to socialize these ideas, to demystify them and to correct misperceptions.

The enrichment of uranium is a technology that's well known. It's been adopted across the world. It is the same technology that's used for weapons production and for civil commercial uses. On the civil commercial uses side, there's a very well-established safeguarding mechanism through the International Atomic Energy Agency that verifies and monitors that these facilities are doing what they intend to do and what they say they are doing, which is peaceful production of enriched uranium.

If Canada were to pursue the domestic enrichment of uranium, part of the steps to do that would be to engage with the IAEA to ensure that those safeguards were in place. We have safeguards over our entire current nuclear fuel cycle to make sure that everything we're doing is civilian in orientation. We'd really be expanding that relationship. Educating the public on that is a key point.

I'm sorry, could you articulate again the first question?

**The Chair:** We have only 30 seconds.

**John-Paul Danko:** If we don't have a domestic supply of enriched uranium, where would it be coming from? Maybe touch on the export opportunities as well.

**The Chair:** Give a quick answer, please.

**Alex MacDonald:** The current market is dominated by hostile state actors in Russia and China. Otherwise, the rest of the world is trying to catch up with their capacity. Europe and the U.S. will have an enrichment gap by 2050.

**The Chair:** Thank you.

**Alex MacDonald:** We're not the only country trying to procure on the open market.

**The Chair:** Thank you both.

[*Translation*]

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

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

Mr. Leuprecht, I am a bit surprised by what I heard in your opening statement. I'll explain why.

When you say it's troubling to see that Quebec, which is a major producer of hydroelectricity, imports electricity, you're overlooking the logic behind it. Hydro-Québec's reservoirs act as a massive battery—something the Americans don't have.

Hydro-Québec therefore imports electricity during off-peak periods. It pays 5¢ per kilowatt-hour for it. During peak periods, Hydro-Québec feeds it back into the grid at 15¢ per kilowatt-hour. It may consume more, but that's because the grid is designed that way. This gives it a significant competitive advantage.

The grid is therefore integrated between Quebec and the United States, and we pay less for the electricity we import than we receive for the electricity we export at 15¢ per kilowatt-hour. So, roughly speaking, the Quebec government receives about \$1.5 billion per year from these contracts. Buying electricity at a low price to resell it at a higher price—I see that as a benefit. I don't know if you do.

What I can't understand, however, is the significant competitive disadvantage we face when it comes to natural gas and oil. From 2021 to 2024, major oil companies raked in \$131 billion in profits, and 60% of that money was funnelled back to the United States, because the ownership structure of these companies makes them American corporations. We lose \$12.3 billion every year, and these oil and gas companies tell us they don't want to pay for export infrastructure. They say it should be up to the public to pay for it on their behalf. The most recent infrastructure project was Trans Mountain, at a cost of \$34 billion. We, collectively, paid for it.

That said, major players in the oil sector are now saying that the risks are currently too high for them to pay for infrastructure. I also find what you said in your opening statement troubling. According to you, when we work on electrification, we're helping China. It's true that the current structure of electrification gives China a huge competitive advantage. However, does that mean we shouldn't pursue electrification, when everyone else is doing so and the industrial landscape is changing?

For us in Quebec, this advantage is significant. What we need to do is further develop the value chain surrounding electricity. We shouldn't withdraw from this field. If we do that, we'll be doing it at our own expense, and that's terrible.

When an investment is made in the oil and gas sector, to me, that means I'm competing with the rest of Canada. It's money I've sent to the federal government that won't end up here. We don't produce oil or gas in Quebec. So, for a Quebecker, exporting more oil and gas means absolutely nothing.

Therefore, I'd like to hear your thoughts on this. I don't know if you're aware of Hydro-Québec's rate schedule and the 5¢ and 15¢ rates that make it advantageous for us.

I'd also like to know what you think about the fact that a significant portion of the money generated by gas and oil ends up in the United States in the form of dividends paid to shareholders.

• (1310)

**Christian Leuprecht:** First of all, for the past five months, Quebec has been importing more electricity than it has been exporting.

**Mario Simard:** You have to consider the cost.

**Christian Leuprecht:** Yes, but this is the first time, to my knowledge, in the history of Canada's electrification policy, that two provinces have done this. This is a direct consequence of the policies the federal government has implemented in recent years, which have also made the investments in critical infrastructure you're referring to unprofitable for the private sector.

We have therefore created an environment where it's more profitable to export our profits. In this regard, Mr. MacDonald's remarks were important. In fact, we have not invested in adding value to the supply chain in Canada.

**Mario Simard:** I just want to say that—

**Christian Leuprecht:** Which means, then, that we're simply exploiting natural resources and—

[*English*]

**The Chair:** Excuse me. Let's have order.

Gentlemen, speak through the chair, please. There are others around the table who want to hear what you have to say.

[*Translation*]

**Mario Simard:** In the little speaking time I have left, I want to point out that the infrastructure enabling electricity trade with the United States was paid for by Hydro-Québec without federal government support. It was Hydro-Québec that decided to invest in the transmission lines that allow us to send electricity to the United States.

Furthermore, you need to back up your claims by comparing the price paid for what we import with the price paid for what we export.

It's important to understand that Hydro-Québec's reservoirs act as a massive battery. When we import electricity at 5¢ per kilowatt-hour, we fill our reservoirs, and during peak periods, we export electricity at 15¢ per kilowatt-hour. So, you have to understand this dynamic. You can't just look at the volumes of electricity imported from the United States. You also have to understand Hydro-Québec's strategy. You might benefit from talking to these people, who are very aware of this situation, which often works to their advantage.

In the oil sector, it's the opposite. The profits made in the oil sector are mostly injected into the U.S. economy. That's what I find highly questionable. Currently, from a geopolitical standpoint, the country with which we have the most difficulties is the United States. They're waging a relentless trade war against us, one that doesn't actually affect the energy sector. However, they're not good economic partners. So, the fact that I'm going to be paying for gas and oil infrastructure that will benefit the United States—well, that leaves me perplexed.

• (1315)

**The Chair:** Thank you.

[*English*]

It was a good exchange, gentlemen. I'd just remind you that it's through the chair, please.

**Christian Leuprecht:** Can I give a 10-second reply, Chair?

**The Chair:** Sure, go ahead.

[*Translation*]

**Christian Leuprecht:** It is nonetheless surprising that Quebec is the province that benefits most from fiscal equalization, the proceeds of which are generated disproportionately by natural resources in Alberta.

[*English*]

**The Chair:** Thank you.

Mr. Simard, you'll get another chance. You have another round.

We have time for quick rounds for Mr. Martel, Mr. St-Pierre and Mr. Simard, for two and a half minutes.

If you want to talk to your colleagues and split your time—because unfortunately we won't get to Mr. Rowe and Mr. Saini—I'll just leave that with you. We've had some good, vigorous exchanges.

Let's go to Mr. Martel for five minutes.

[*Translation*]

**Richard Martel (Chicoutimi—Le Fjord, CPC):** Mr. Leuprecht, I would like you to respond to what my colleague Mr. Simard has just told us. I'm curious to hear your explanation.

**Christian Leuprecht:** From an economic standpoint, there is certainly a case to be made for what Mr. Simard is saying. However, for me, what matters is that at a time when we face a challenge regarding political and economic sovereignty, we find ourselves in a situation where we are becoming more dependent on the United States.

We have indeed become dependent on electricity from the United States. This is the first time this has happened in Canadian history, and it is happening at a time when the Prime Minister is aiming to decouple Canada and reduce its dependence on the United States. I'm a little surprised that this is being interpreted as a success in public policy.

**Richard Martel:** Thank you.

As you know, there is a glaring lack of natural gas infrastructure in Europe, which means our allies are pretty much stuck with Russian gas. Recently, an agreement was signed to export natural gas, or LNG, to Germany from British Columbia. That represents enormous additional transportation costs.

Compared to projects like GNL Québec, which never got off the ground here in the Saguenay region, what would be the concrete benefits of having LNG infrastructure in eastern Canada?

**Christian Leuprecht:** In principle, there are three export options: to the United States, to the west coast, or to the east coast. In principle, there is also the Churchill project, but, in my opinion, it will never be profitable.

However, we have created a public policy environment where we would like to export from the coasts, but where, due to public policies, it is more profitable to export to the United States. Therefore, we need to review the existing public policy incentives to encourage stakeholders in this sector to export to the coasts.

Naturally, our most important relationship is the one we have with our allies in Europe. We have been using it for about a hundred years to counterbalance the unilateralism of U.S. foreign policy. However, the most cost-effective and efficient way to ensure the energy security of our partners in Europe is inevitably via the east coast.

**Richard Martel:** Given current geopolitical developments, it is clear that Canada is lagging behind in terms of the infrastructure and supply chains needed to achieve self-sufficiency. We have resources that would allow us to have almost everything we want, but we send them elsewhere to be processed, and then we bring them back home.

In your opinion, what are the main regulatory or political obstacles currently hindering the development of certain projects, such as the LNG project?

**Christian Leuprecht:** It is part of the Canadian mindset to use our wealth of natural resources as an instrument of political power to influence our political environment—in a very unstable era—in order to ensure the reliability, stability, prosperity, security and sovereignty of Canada and our allies and partners.

**Richard Martel:** Mr. MacDonald, almost all of our G7 allies have a national uranium enrichment capability.

Why are we the only ones unable to do this domestically?

● (1320)

[*English*]

**Alex MacDonald:** It's really a historical response. Canada chose a technology, the CANDU reactor, that did not require enriched uranium. One of the rationales for enrichment of uranium domestically is always a domestic need, first of all. Now we're in a different phase of our nuclear history, with the development of SMR technologies. We used to be a CANDU country exclusively, and now we're going to a mixed technology. Some of our allied partners have CANDUs, but a lot of them have light water reactors that require this infrastructure.

It's not just about domestic need. Yes, that's going to come to Canada, but it's also about supplying the world with this needed commodity. Canada, as a tier one nuclear nation involved in many aspects of the nuclear fuel cycle, is very well positioned to support our allies, especially given the geopolitics of how this commodity market has emerged with Russia and China dominating it. Our allies—the U.S. included—are trying to wean themselves off dependence on Russian enriched fuel in particular.

As Canada goes through more technology selections that may include light water reactors that require this fuel, we don't want to be in a dependent situation. We should have the ability to provide all the operational requirements for the energy infrastructure that we're building.

**The Chair:** Thank you both.

We are now going to Mr. St-Pierre for five minutes.

**Eric St-Pierre (Honoré-Mercier, Lib.):** Earlier we heard about Brookfield from an opposition MP. It's really their go-to buzzword. I'm hearing it a lot these days. I also find it funny, this obsession by the Conservatives with Brookfield. Did you know that it appears that the Leader of the Opposition himself owns an exchange-traded fund called VCN, or Vanguard All Cap? Ironically enough, one of their top 10 holdings is Brookfield. Is the Leader of the Opposition himself invested in Brookfield? When I'm hearing this buzzword over and over, it makes me ask myself these questions.

Mr. Leuprecht, you touched on global investments, which I wanted to follow up on. The International Energy Agency, the IEA, released a world energy investment report a couple of weeks back. Global energy investments for this year are set to reach about \$3.4 trillion. About \$2.2 trillion of that is expected to flow into clean energy. That includes renewables, nuclear, grids, storage, energy efficiency and, generally speaking, electrification. Of that \$3.4 trillion, about \$1.2 trillion is going to oil, gas and coal.

About two-thirds of global investments in energy are going toward clean energy, if the IEA is correct, and one-third is going into conventional energy for this year. It appears that clean energy is set to double conventional energy.

I'm curious, Mr. Leuprecht. What do you make of this assessment by the IEA?

**Christian Leuprecht:** Canada is blessed with renewable resources. We can be a global leader in technology for the energy transition if we make prudent investments. I think we have seen Canadian companies...to that effect. The problem is that in this country, we do not have the necessary economies of scale. We will only be able to harness those economies of scale in partnership with the United States—which, given the policy approaches in the United States, may be a challenge—with our European allies or with partners in the Indo-Pacific region.

Canada needs to think, both on clean energy and on fossil fuels, in a global fashion in terms of what world we want to live in five, 10 and 20 years from now. How do we intelligently invest the profits we are generating from fossil fuels in the world that we all ultimately want to live in?

**Eric St-Pierre:** That's great. Thank you for your response.

[Translation]

Mr. MacDonald, I have two minutes left. I'd like to ask you a question about opportunities in nuclear energy.

I'm really curious. In your opinion, what opportunities exist for indigenous communities in Canada in the field of nuclear energy, particularly with regard to small modular reactors?

• (1325)

[English]

**Alex MacDonald:** Yes. Thank you.

In terms of indigenous participation in nuclear opportunities, there's a vast variety of opportunities in which they could participate. There are some situations in Canada in which indigenous groups have already taken equity stakes or positions in Canadian nuclear operations. Those could be expanded or mimicked across the country, based on development.

In terms of the applicability of, say, microreactors for northern and remote communities, there's been a lot of historic work done in Canada to determine the feasibility of the application of those technologies. I think there's a very good case for it.

How it links into uranium enrichment is that for any microreactor—or small modular reactor, for that matter—to be viable in one of these remote communities, it would require the use of enriched uranium. We're not going to put a CANDU reactor in northern

Canada, most likely. We need something that is smaller and more fit for purpose.

In terms of transitioning northern communities off diesel generators and in terms of providing energy infrastructure for greater prosperity and a higher quality of life, nuclear can play a key role, and Canada should be investing in and exploring those opportunities, as well as leveraging indigenous partnerships to do so.

**The Chair:** You have 15 seconds. Are you good?

**Eric St-Pierre:** If you can quickly touch on the job opportunities for nuclear in Canada, that would be great. You have 10 seconds.

**Alex MacDonald:** It's a fantastic employer to date, and I think we would see many jobs through additional technology selections and development in the Canadian economy.

[Translation]

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

[English]

**The Chair:** Thank you.

The last word will go to you, Monsieur Simard.

[Translation]

You have the floor for two and a half minutes.

**Mario Simard:** Thank you, Mr. Chair.

I'd like to pick up where we left off, Mr. Leuprecht. It's not a federal government strategy. I'm quick to criticize the federal government. That's my trademark.

That said, Quebec's sale of electricity to the United States is not a federal government strategy. It's Hydro-Québec and the Government of Quebec, which paid for this infrastructure itself and finds it profitable to import energy at 5¢ and resell it at 15¢. Earlier, you said that Quebec has been buying electricity ever since the federal government took office. That's not quite true. Furthermore, it was Quebec that paid for this infrastructure. I'm telling you this because it's important.

Right now, the oil and gas sector gets tax breaks that are excessive compared to those for natural resources as a whole. The government paid \$34 billion for a pipeline, and there are tax credits. There's accelerated depreciation, which applies only to this sector. Those things mainly benefit Americans.

The majority of our energy exports in the oil and gas sector go to the United States. They're refined in the United States. The ownership structure is largely in American hands. These companies have been overproducing oil in recent years. Union representatives have told us that the number of jobs has declined. These companies have invested in automating their operations, but they do not want to invest in their infrastructure.

That's why I'm a bit skeptical when you say that our energy security depends on investing more in sectors that will benefit Americans and make them a profit, and that we should continue to send them oil and gas. To me, that makes no sense at all.

Let's talk more about equalization, which was the last thing you brought up. There are nine million Quebeckers and five million Albertans. Equalization is calculated on a per-capita basis. Every year, Quebec has a \$4-billion trade deficit with Alberta. Moreover, the federal government has invested massively in oil and gas infrastructure, while we have paid for our own infrastructure.

**The Chair:** Thank you.

**Mario Simard:** If that doesn't strike you as unfair, I wonder what does.

**The Chair:** Thank you.

[*English*]

I'm going to give Mr. Leuprecht just a brief chance to respond for 20 or 30 seconds.

[*Translation*]

**Christian Leuprecht:** The formula used to calculate federal equalization payments is a political choice heavily influenced by electoral considerations in Quebec. As for investments and profits flowing to the United States, federal policy has also encouraged these types of investments.

I have proposed strategically restructuring incentives to encourage our European and Indo-Pacific partners to invest in Canada. We need to strategically reorient our approach. In other words, this isn't necessarily the way it should be done. It's also a political choice that we, as Canadians, made at the federal level.

• (1330)

[*English*]

**The Chair:** Thank you both. I thought I detected a rare moment of agreement there.

Colleagues, that brings our meeting to an end. I have one more item, but on your behalf, I want to thank the witnesses for their testimony and for responding to questions. I think you'll agree that it was a very energetic meeting. We are talking about energy, after all.

Thank you, witnesses. We can let you go.

There's one last item.

Colleagues, regarding the departmental plans, which we were talking about a few meetings ago, the letter received from the department was circulated last week, and invitations were sent to the minister and officials. We've been told there's no visibility on the minister's schedule at the moment, and the officials were wondering if the committee still wanted to hear from them, considering they appeared recently.

How does the committee want to proceed?

**Corey Tochor:** This goes back to the nuclear study, when we were supposed to have the minister for two hours. He came for only one hour and split his time. I would want him back here for that full hour. Next Thursday would be a great time for him, before we break for the summer. I'm not sure what his plans would be, but we should be in Ottawa, and that would be a great time to hear from the minister. I hope we can.

**The Chair:** I think we have a member of the minister's staff here somewhere. Anyway, I will relay that message, Mr. Tochor.

Colleagues, we went a little over time today, but thank you for your patience.

Again, thank you to the witnesses.

We are adjourned.





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