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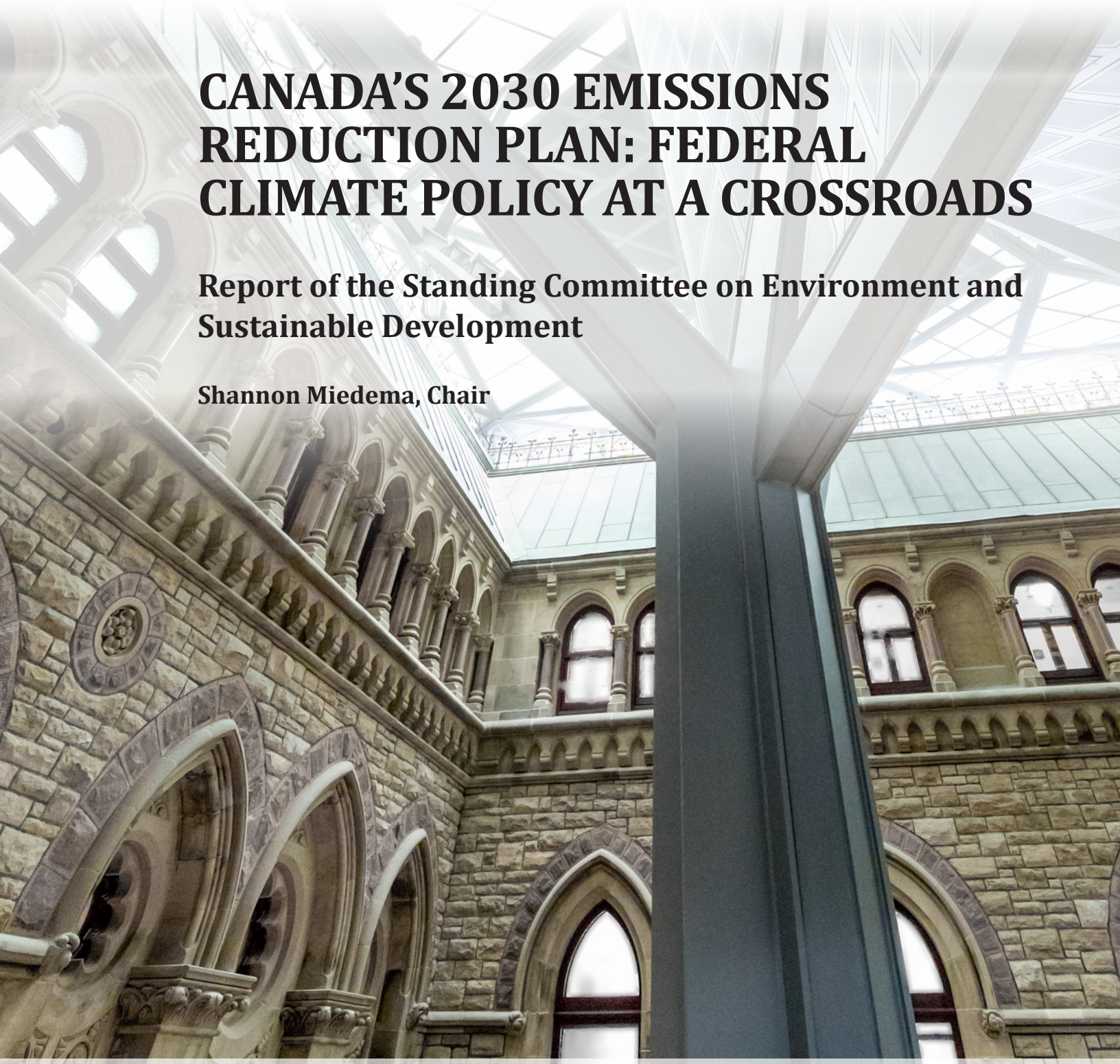

CANADA'S 2030 EMISSIONS REDUCTION PLAN: FEDERAL CLIMATE POLICY AT A CROSSROADS

Report of the Standing Committee on Environment and Sustainable Development

Shannon Miedema, Chair

APRIL 2026
45th PARLIAMENT, 1st SESSION

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NOTICE TO READER

Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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THE STANDING COMMITTEE ON ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

has the honour to present its

THIRD REPORT

Pursuant to its mandate under Standing Order 108(2), the committee has studied the effectiveness, potential improvements and capability of Canada's 2030 emissions reduction plan and has agreed to report the following:

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LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That the Government of Canada, by 1 June 2026, table a revised and fully costed 2030 Emissions Reduction Plan that clearly identifies the specific additional measures required to close the gap between projected emissions reductions and Canada's legislated 2026 and 2030 targets, including quantified emissions impacts for each measure. **50**

Recommendation 2

That the Government of Canada, by 1 June 2026, publicly disclose updated modelling reflecting the cumulative impact of recent policy changes, including the removal of the consumer carbon price, the abandonment of the Electric Vehicle Availability Standard, and the suspension of the proposed oil and gas emissions cap, and clearly indicate how Canada will meet its legislated targets in light of those changes. **50**

Recommendation 3

That the Government of Canada, by 1 June 2026, reaffirm the importance of the *Canadian Net-Zero Emissions Accountability Act* by ensuring that emissions reduction targets are accompanied by binding, enforceable, and durable policies capable of achieving them. **50**

Recommendation 4

That the Government of Canada immediately restore full capacity to the Net-Zero Advisory Body by promptly appointing qualified expert members, providing adequate resources, and establishing a formalized mechanism to demonstrate how the advice of the Advisory Body is considered in federal climate policy decisions. **50**

Recommendation 17

That the Government of Canada place the principle of subsidiarity at the centre of the 2030 Emissions Reduction Plan in order to respect provincial jurisdictions and the role of municipalities. **52**

Recommendation 18

That the life cycle approach be used to reflect greenhouse gases emitted abroad by Canada (e.g., exports of liquified natural gas, oil, etc.). **52**

Recommendation 19

That the Government of Canada use the federal climate investment taxonomy framework to classify and prioritize economic activities that are compatible with climate goals, directing public and private capital toward low-carbon sectors. **53**

Recommendation 20

That the Government of Canada help reduce pollution in coastal communities by tackling carbon pollution from ports and freight shipping. This could include the following measures:

- **Expand shore power to include more terminals, ports, and types of ships that can plug in at dock instead of continuing to burn fossil fuels near communities.**

- **Support shipyards when it comes to installing renewable technologies, such as wind propulsion for ships, and retrofitting ships for more energy-efficient voyages.**

- **Improve supply chain coordination so that ships spend less time idling while waiting for cargo to be delivered to them.**

- **Enact cargo- and fuel-specific safety regulations and incident response regimes to account for changing fuel composition and future fuels, such as methanol.**

CANADA'S 2030 EMISSIONS REDUCTION PLAN: FEDERAL CLIMATE POLICY AT A CROSSROADS

1. INTRODUCTION

On 18 September 2025, members of the House of Commons Standing Committee on Environment and Sustainable Development (the committee) agreed to undertake a study:

> [O]n the effectiveness, potential improvements and capability of Canada's 2030 Emissions Reduction Plan to meet climate action targets in line with its commitments to the [*Paris Agreement*].[1]

The committee heard testimony over seven meetings, between 2 October 2025 and 30 October 2025, and received 24 briefs. This report summarizes what the committee heard in its study and includes recommendations to the Government of Canada based on what the committee learned. The committee is grateful to all those who appeared and submitted briefs as part of the study.

Impacts of Climate Change in Canada

2024, the year before the committee began this study, was the hottest calendar year on record, and the first during which the average global temperature exceeded the pre-industrial average by 1.5°C.[2] It was also a year of severe weather in which insured damages from extreme weather in Canada reached a record high of over $8.5 billion.[3] Witnesses spoke about both the impacts that climate change is already having in Canada, as well as likely impacts in the future. Damon Matthews (Professor, Concordia University and Interim Director, Future Earth Canada, As an Individual) emphasized that that there is no scientific doubt about the cause of climate change, explaining that burning fossil fuels to produce energy produces greenhouse gas (GHG) emissions, and global temperatures

1 House of Commons, Standing Committee on Environment and Sustainable Development (ENVI), 45th Parliament, 1st Session, *Minutes of Proceedings*, 18 September 2025.

2 ENVI, *Evidence*, 30 October 2025, 1115 (Wendell LaBobe, Regional Chief, Prince Edward Island, Assembly of First Nations).

3 Jessica McIlroy, Pembina Institute, Brief Submitted to ENVI, undated, published 14 November 2025; Insurance Bureau of Canada, *2024 shatters record for costliest year for severe weather-related losses in Canadian history at $8.5 billion*, 13 January 2025.

will continue to increase so long as emissions continue.[4] The impacts of this warming will, however, be less severe if emissions are reduced.[5]

> If we all truly understood the gravity of the crisis and what is actually at stake, there would be no debate about whether Canada should act. There would be no question that climate policy measures in Canada are woefully weak. There would be widespread dismay that Canada's economic well-being remains so dependent on a source of energy that will become obsolete within our lifetimes. I don't think we would be sitting here debating the individual merits of a set of insufficient policy measures. We would instead be putting all our minds to the challenge of how to drive down emissions, diversify our economy and protect the most vulnerable among us from the climate damages we will not be able to avoid.[6]

David Miller (Spokesperson, Elbows Up for Climate) commented on the need for Canada to reduce emissions:

> Climate change is real, and the impacts are serious and getting worse. Science shows that it is primarily caused by the burning of fossil fuels and that the world needs to nearly halve their use by 2030. That's only possible if Canada does its part.[7]

Mr. Matthews outlined some of the threats associated with climate change:

> What we are witnessing across the country is not a new normal. It is the beginning of a transition to global climate conditions that have not existed in the history of human civilization. […]
>
> Beyond the direct physical impacts, climate change is also a threat multiplier. Climate damage has increased the cost of living, strained societal resources and can feed social conflict and instability. Global food systems, freshwater resources and commercial supply chains are all feeling the effects of rising climate risk. All of this is alarming, but it is not surprising. The climate changes we are experiencing are very much in line with climate model predictions. What is surprising is that the scientific reality of our changing climate remains a subject of political debate.[8]

4 ENVI, *Evidence*, 20 October 2025, 1200 (Damon Matthews, Professor, Concordia University and Interim Director, Future Earth Canada, As an Individual).

5 Ibid.

6 Ibid.

7 ENVI, *Evidence*, 27 October 2025, 1220 (David Miller, Spokesperson, Elbows Up for Climate).

8 ENVI, *Evidence*, 20 October 2025, 1200 (Damon Matthews).

Costs of Inaction

Several witnesses drew attention to the fact that failing to act to limit emissions and slow climate change can lead to negative consequences both for individuals and for Canada's economy as a whole.[9] Some highlighted recent wildfires as an example of climate change's impact on Canada.[10] They also noted the high costs of climate change, not only in terms of impacts to communities and individuals, but also in terms of insured damages.[11] David Miller asked:

> Why should everyday Canadians bear the cost of inaction? Without urgent action to tackle climate change, studies suggest that Canada is on track for $100 billion per year in climate damages by 2050. … That's certainly part of the reason that the overwhelming majority of Canadians demand climate action.[12]

Global Agreements to Reduce Emissions

Canada is a party to the main international agreements relating to climate change: the *United Nations Framework Convention on Climate Change*[13] (UNFCCC); and the 2015 *Paris Agreement*,[14] which lies within the UNFCCC. Through the UNFCCC, Canada has formally committed to reduce GHG emissions, adapt to climate change, and provide mitigation[15] and adaptation-related financial support to developing countries. The Government of Canada reports regularly to the UNFCCC on its activities related to these commitments.

Signatories to the 2015 *Paris Agreement* on climate change committed to reducing GHG emissions sufficiently to keep temperature rise to "well below 2°C" above the pre-industrial average global temperature, and to pursuing "efforts to limit the temperature

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9 ENVI, *Evidence*, 23 October 2025, 1230 (Merran Smith, President, New Economy Canada); ENVI, *Evidence*, 23 October 2025, 1235 (Christopher Bataille, Principal Investigator, Net Zero Industry); ENVI, *Evidence*, 27 October 2025, 1220 (David Miller).

10 ENVI, *Evidence*, 23 October 2025, 1230 (Merran Smith); ENVI, *Evidence*, 6 October 2025, 1100 (Dave Sawyer, Principal Economist, Canadian Climate Institute); ENVI, *Evidence*, 27 October 2025, 1220 (David Miller); ENVI, *Evidence*, 30 October 2025, 1105 (Catherine Potvin, Professor emerita, McGill University, As an Individual).

11 ENVI, *Evidence*, 27 October 2025, 1220 (David Miller); ENVI, *Evidence*, 20 October 2025, 1240 (Damon Matthews); ENVI, *Evidence*, 23 October 2025, 1230 (Merran Smith).

12 ENVI, *Evidence*, 27 October 2025, 1220 (David Miller).

13 United Nations, *United Nations Framework Convention on Climate Change*, 1992.

14 United Nations, United Nations Framework Convention on Climate Change, *Paris Agreement*, 2015.

15 "Climate change mitigation" refers to preventing further climate change, typically by reducing greenhouse gas emissions. "Climate change adaptation" refers to adjusting to the consequences of climate change, such as rising temperatures, more frequent and severe storms, etc.

increase even further to 1.5°C." These are targets that a broad consensus of climate scientists believe must be met to significantly reduce the risks and impacts of climate change.[16]

Normand Mousseau (Scientific Director, Trottier Energy Institute, Polytechnique Montréal, As an individual) told the committee that some jurisdictions, such as the United Kingdom and Germany, have strict targets yet are able to meet or even exceed them.[17]

Canada's Commitments and Greenhouse Gas Emissions Reduction Targets

In 2021, Canada updated its target for emissions reductions, as it had committed to do under the *Paris Agreement*. The updated nationally determined contribution (NDC) was to reduce emissions to 40–45% below 2005 levels by 2030,[18] an increase from the previous commitment of reducing emissions to 30% below 2005 levels.[19]

In February 2025,[20] Canada submitted its NDC for 2035, which is "to reduce emissions by 45–50% below 2005 levels by 2035, building on the 2030 target of 40–45% below

16 Intergovernmental Panel on Climate Change (IPCC), *Summary for Policymakers of IPCC Special Report on Global Warming of 1.5°C approved by governments*, News release, 8 October 2018.

The IPCC, the United Nations body for assessing the science related to climate change, describes its structure and work as follows:

> Through its assessments, the IPCC determines the state of knowledge on climate change. It identifies where there is agreement in the scientific community on topics related to climate change, and where further research is needed. The reports are drafted and reviewed in several stages, thus guaranteeing objectivity and transparency. The IPCC does not conduct its own research. IPCC reports are neutral, policy-relevant but not policy-prescriptive. The assessment reports are a key input into the international negotiations to tackle climate change. Created by the United Nations Environment Programme (UN Environment) and the World Meteorological Organization (WMO) in 1988, the IPCC has 195 Member countries.

17 ENVI, *Evidence*, 2 October 2025, 1245 (Normand Mousseau, Scientific Director, Trottier Energy Institute, Polytechnique Montréal, As an individual).

18 Government of Canada, *Canada's 2021 Nationally Determined Contribution Under the Paris Agreement*, p. 1.

19 Office of the Auditor General of Canada, *2021 Reports 3 to 7 of the Commissioner of the Environment and Sustainable Development*, "Report 5 – Lessons Learned from Canada's Record on Climate Change," 2021, exhibit 5.2.

20 Environment and Climate Change Canada, *Cutting pollution and building a strong economy for the future: Canada's 2035 commitment under the Paris Agreement*, 12 February 2025.

2005 levels."[21] Canada also set an interim emissions reduction objective of 20% below 2005 levels by 2026.[22]

Canada's targets can be summarized as follows:

- by 2026: 20% below 2005 levels;[23]
- by 2030: 40%–45% below 2005 levels;[24]
- by 2035: 45%–50% below 2005 levels;[25] and
- by 2050: zero net emissions.[26]

Yet despite these commitments, Canada is no where close to meeting these targets. The Commissioner of the Environment and Sustainable Development has concluded that implementation of the 2030 Emissions Reduction Plan remains insufficient to meet Canada's 2030 target, and that, as of 2022, emissions had been reduced by only 7.1% below 2005 levels,[27] and that, as of 2023, emissions had been reduced by 8.5% below 2005 levels.[28]

The Commissioner of the Environment and Sustainable Development told the committee that "[a]ll levels of government, communities, the private sector and Canadians must take action to address climate change." He added that "the federal government can be a leader

21 Government of Canada, *Canada's 2035 Nationally Determined Contribution*, p. 1.

22 Government of Canada, *2025 Progress Report on the 2030 Emissions Reduction Plan*, 2025.

23 Ibid.

24 Government of Canada, *2030 Emissions Reduction Plan: Canada's Next Steps for Clean Air and a Strong Economy*.

25 Government of Canada, *Canada's 2035 Nationally Determined Contribution*, p. 1.

26 Government of Canada, *Canada's 2021 Nationally Determined Contribution Under the Paris Agreement*, p. 1.

27 Office of the Auditor General of Canada, Reports of the Commissioner of the Environment and Sustainable Development to the Parliament of Canada, Report 7, *Canadian Net-Zero Emissions Accountability Act – 2024 Report*, 2024.

28 ENVI, *Evidence*, 9 October 2025, 1105 (Jerry V. DeMarco, Commissioner of the Environment and Sustainable Development, Office of the Auditor General).

in this field while working with the provinces on their turf. However, if we look at all the federal and provincial measures taken to date, they're not sufficient to reach the target."[29]

Moreover, the Government of Canada's own 2025 Progress Report projects that emissions will be reduced by only 16% below 2005 levels by 2026 and 28% by 2030.[30] This is dramatically short of the legislated interim objective of 20% and the 2030 target of 40–45%.[31]

These projections confirm that Canada is not on track to meet its greenhouse gas reduction targets and has no plan to meet them.

Recent analysis from the Canadian Climate Institute[32] further underscores that current policies, combined with policy reversals and record oil and gas production, will only widen the gap between rhetoric and reality. Targets without credible implementation plans undermine public confidence, weaken Canada's international credibility, and leave Canadians bearing the mounting costs of inaction.

Canadian Net-Zero Emissions Accountability Act

The Government of Canada's commitment to achieving net-zero GHG emissions by 2050[33] was enshrined in law in June 2021 through the *Canadian Net-Zero Emissions Accountability Act*.[34] The act requires the Government of Canada to set national GHG reduction targets every five years, starting in 2030, and to develop plans for achieving them with the goal of reaching net-zero emissions by 2050. The preamble to the act states that "the Government of Canada recognizes that its plan to achieve net-zero emissions by 2050 should contribute to making Canada's economy more resilient, inclusive and competitive."[35]

29 ENVI, *Evidence*, 9 October 2025, 1120 (Jerry V. DeMarco).

30 Government of Canada, *2025 Progress Report on the 2030 Emissions Reduction Plan*, 2025, p. 21.

31 Ibid.

32 Ross Linden-Fraser et al., Canadian Climate Institute, *Independent Assessment : 2025 Progress Report on the 2030 Emissions Reduction Plan*, February 2026.

33 Ibid.

34 *Canadian Net-Zero Emissions Accountability Act*, S.C. 2021, c. 22.

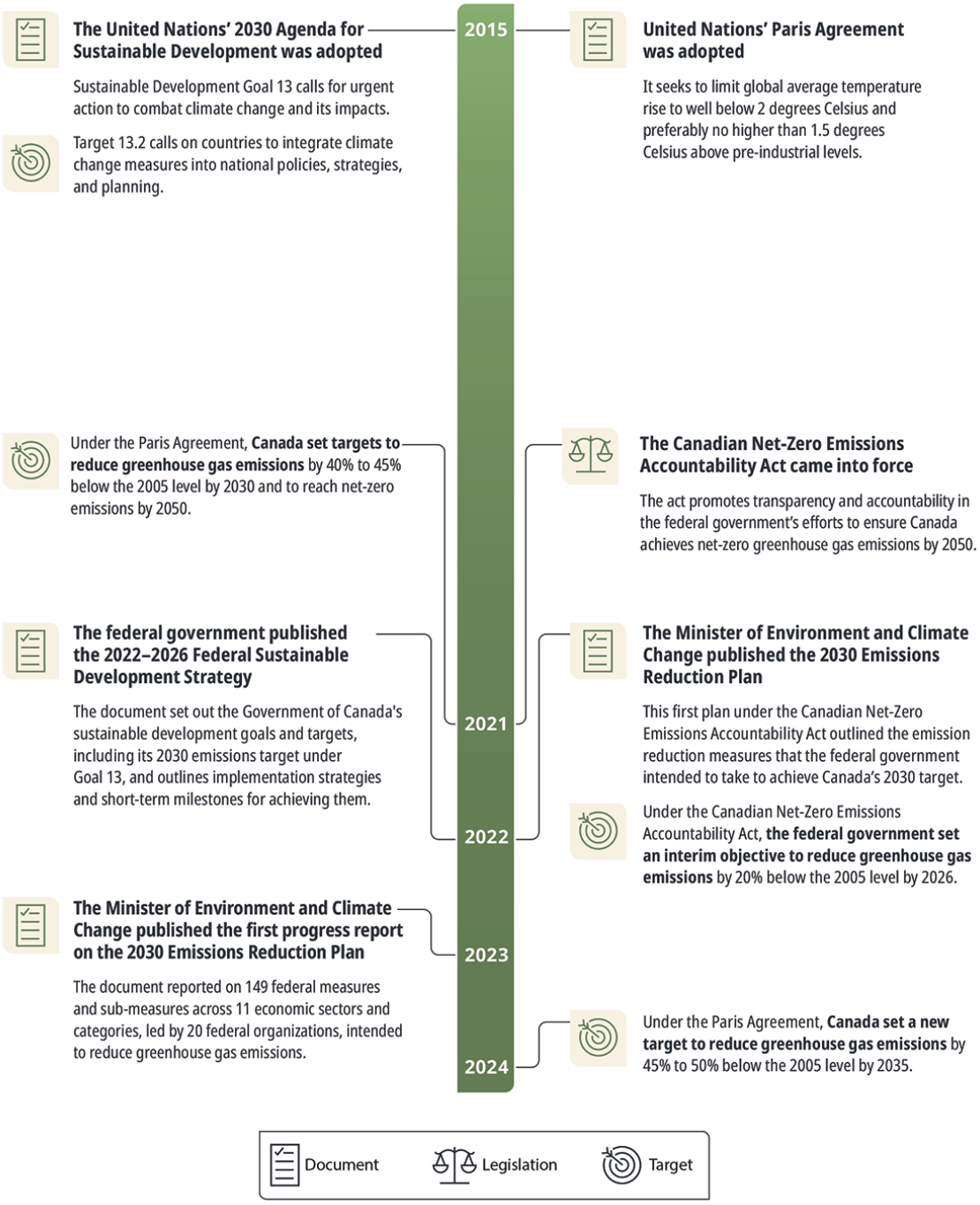
35 Ibid.

As required by the *Canadian Net-Zero Emissions Accountability Act*, Canada's 2030 Emissions Reduction Plan (ERP) was published in 2022.[36]

Figure 1 presents a timeline of the Government of Canada's commitments and actions to reduce emissions.

36 Government of Canada, *Canada's 2030 Emissions Reduction Plan*.

Figure 1—Government of Canada Commitments and Actions to Reduce Greenhouse Gas Emissions, 2015 to 2025



Source: Office of the Auditor General of Canada, 2025 Reports of the Commissioner of the Environment and Sustainable Development to the Parliament of Canada on Behalf of the Auditor General of Canada, *Implementing the Canadian Net-Zero Emissions Accountability Act—Financial Measures*, 2025 (based on information from various federal government and United Nations sources).

Since the enactment of the *Canadian Net-Zero Emissions Accountability Act*, the government has modified, delayed, or reversed several measures that were central components of its 2030 Emissions Reduction Plan. These include the removal of the consumer carbon price, the elimination of the zero-emission vehicle availability standard (which has been replaced by Canada's new automotive strategy, which includes increasing the stringency of Canada's GHG emissions standards for light-duty vehicles, targeted incentives for electric vehicles, and a new national charging infrastructure strategy), and the suspension of the proposed oil and gas emissions cap. These measures were previously identified as significant elements of the federal approach to meeting emissions reduction targets.

The act requires not only the publication of emissions reduction plans and progress reports, but also transparency regarding how targets will be achieved and what additional measures will be implemented where progress is insufficient. Changes to key policies have implications for the assumptions underlying federal emissions projections and for the overall pathway to achieving Canada's legislated targets.

2. CANADA'S 2030 EMISSIONS REDUCTION PLAN

Upon publication of the 2030 Emissions Reduction Plan, the Government of Canada mentioned that this plan presents "a sector-by-sector path for Canada to reach its emissions reduction target of 40% below 2005 levels by 2030 and net-zero emissions by 2050."[37] The ERP was developed with input from over 30,000 Canadians, the provinces and territories, Indigenous peoples, industry groups, as well as from members of the Net-Zero Advisory Body (NZAB).[38]

The ERP contained 149 measures intended to reduce emissions in specific sectors or economy wide.[39] These measures can be grouped into four categories:

37 Government of Canada, *2030 Emissions Reduction Plan: Clean Air, Strong Economy*.

38 Ibid.

39 Office of the Auditor General of Canada, 2025 Reports of the Commissioner of the Environment and Sustainable Development to the Parliament of Canada on Behalf of the Auditor General of Canada, *Implementing the Canadian Net-Zero Emissions Accountability Act—Financial Measures*, 2025.

- legislation or regulations;
- programs, grants and contributions;
- policies, plans, strategies and codes; and
- task forces and advisory committees.[40]

Examples of emissions reduction measures include investments in public transit; the Canada Greener Homes Grant; the Indigenous Off Diesel Initiative; the Incentives for Zero-Emission Vehicles Program; and regulations reducing methane emissions from landfills.[41] The committee notes that, since the completion of the study, several of the measures in the ERP were eliminated, changed or not carried over by the government and several new measures to reduce emissions were announced.

Net-Zero Advisory Body Advice and Reports on Canada's Emissions Reduction Plan

The Net-Zero Advisory Body[42] was established by the *Canadian Net-Zero Emissions Accountability Act* and "is mandated to provide the Minister of Environment and Climate Change with independent advice on the most likely pathways for Canada to achieve net-zero emissions by 2050 and also to advise on the setting of interim emissions reduction targets."[43]

In 2021, the Net-Zero Advisory Body provided advice for the ERP, which is appended to the ERP itself.[44] It has since published three annual reports that provide analysis and

40 Office of the Auditor General of Canada, Reports of the Commissioner of the Environment and Sustainable Development to the Parliament of Canada, Report 7, *Canadian Net-Zero Emissions Accountability Act – 2024 Report*, 2024.

41 Some of these measures were assessed in: Office of the Auditor General of Canada, Reports of the Commissioner of the Environment and Sustainable Development to the Parliament of Canada, *Report 7*, *Canadian Net-Zero Emissions Accountability Act – 2024 Report*, 2024.

42 Government of Canada, *Net-Zero Advisory Body*.

43 ENVI, *Evidence*, 2 October 2025, 1220 (Simon Donner, Professor, Net Zero Advisory Body).

44 ENVI, *Evidence*, 2 October 2025, 1220 (Simon Donner); Government of Canada, *Canada's 2030 Emissions Reduction Plan: Annex 3, Net-Zero Advisory Body advice*, March 2022.

advice to the Minister on reducing emissions and unlocking investments to do so. The most recent report, for 2025–2026, was published 13 January 2026.[45]

Among other measures, the report recommended that the government:[46]

- Strengthen the industrial carbon pricing system;
- Expedite methane regulations and programs targeted at buildings;
- Finish implementation of the 2030 Emissions Reduction Plan;
- Develop a net-zero industrial policy, beginning with a few priority sectors; and
- Establish a working group to develop a national carbon dioxide removal strategy, while keeping emissions reduction the top priority of federal climate mitigation policy.[47]

Despite this statutory role, a series of high-profile resignations from the Advisory Body have raised concerns about the government's engagement with its own expert climate advisers. In late 2025, two members of NZAB, including co-chairs, resigned, noting that the government had made major climate policy decisions without consulting the body and that the advice of expert members was neither sought nor considered in those decisions.

Current NZAB members have also described the advisory body as operating in a skeleton state, with insufficient direction, resources, and appointments to fulfill its mandate, and have requested that the Minister consider temporarily pausing activities until its capacity is restored. Members have indicated that prolonged delays in appointing new experts and a lack of clear government engagement with the body's work hinder its ability to provide independent advice.

These developments suggest a growing disconnect between the government's statutory obligation to obtain and consider independent expert advice under the *Canadian Net-Zero Emissions Accountability Act* and the lived experience of the body tasked with delivering that advice. Ongoing departures of expert members and constraints on the

45 Net-Zero Advisory Body, *Net-Zero Advisory Body: Third annual report to the Minister of the Environment, Climate Change and Nature*, 13 January 2026.

46 Ibid.

47 Ibid.

body's capacity raise questions about the government's commitment to transparent and informed climate governance.[48]

Recent Changes to Emissions Reduction Plan Policies and Related Developments

The federal government has recently made a number of changes to policies related to the ERP.

The Government of Canada removed the consumer carbon price, one of the two components (along with industrial carbon pricing) of the ERP's carbon pricing system, effective 1 April 2025.[49]

On 5 September 2025, the government announced it would pause implementation of its Electric Vehicle Availability Standard (EVAS), which had required that 20% of new light-duty vehicles offered for sale in Canada in the 2026 model year be zero-emission vehicles.

In February 2026, the government formally abandoned the EVAS framework and announced that it would instead pursue revised vehicle greenhouse gas standards. While the government has stated that the new approach will aim to increase electric vehicle (EV) adoption over time, it has not provided detailed regulatory design, compliance mechanisms, or quantified emissions reduction projections comparable to those previously associated with EVAS. It remains unclear how the revised approach will deliver the emissions reductions that EVAS was intended to achieve.

In February 2026, the Government of Canada then announced a new fuel standards regulation, the re-inclusion of EV subsidies of $5,000 and a $1.5 billion loan vehicle financing program for national charging infrastructure through the Canada Infrastructure Bank.

On 4 November 2025,[50] after the committee had concluded hearing testimony for this study, the government announced the Climate Competitiveness Strategy as part of Budget 2025. The strategy contained updates on the federal government's approach to a

48 Historically, the NZAB has had a significant amount of turnover in its governance (See: "Previous Members" at the bottom of the "Members" tab of Government of Canada, Net-Zero Advisory Body).

49 Department of Finance Canada, *Removing the consumer carbon price, effective April 1, 2025*, 22 March 2025.

50 Government of Canada, Budget 2025, Chapter 1, Section 1.3: Canada's Climate Competitiveness Strategy.

number of measures related to the ERP that had been discussed during the committee's study. Among other things, the government outlined plans for the following actions:

- Improve the effectiveness of industrial carbon pricing;
- Work with province and territories to support the *Clean Electricity Regulations*;
- Finalize enhanced methane regulations for the oil and gas sector and landfills;
- Remove the emissions cap on oil and gas;
- Announce next steps related to electric vehicles; and
- Make "targeted updates" to the *Clean Fuel Regulations*.[51]

In late November, the federal government signed the Canada-Alberta Memorandum of Understanding (MOU) with the province of Alberta. The MOU sets out objectives and commitments for both parties, notably including plans to increase production of oil and gas from Alberta and construct one or more pipelines, including a new one-million-barrel-per-day pipeline, and increasing oil transport through the Trans Mountain pipeline by 300,000 barrels per day, and commitments from the federal government not to implement the oil and gas emissions cap, to suspend the *Clean Electricity Regulations* in Alberta, delay the achievement of the 5-year methane regulation targets for Alberta from 2030 to 2035, and to support large-scale carbon capture, utilization and storage (CCUS) investments, among others.[52]

On 25 March 2026, the Government of Canada signed the Canada-Alberta methane equivalency agreement in recognition of an equivalent provincial approach that delivers, over the term of the agreement, 75% methane emissions reductions by 2035 relative to 2014 emissions levels.[53] The federal approach requires oil and gas methane emissions to be 72% below 2012 levels by 2030.

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51 Ibid.

52 Prime Minister of Canada, *Canada-Alberta Memorandum of Understanding*, 27 November 2025.

53 Prime Minister of Canada, *Canada and Alberta reach agreement-in-principle on methane equivalency*, 25 March 2026; Government of Canada, *Agreement in principle – Canada-Alberta methane equivalency agreement*.

Wendell LaBobe (Regional Chief, Prince Edward Island, Assembly of First Nations) commented that the federal government's current approach to responding to climate change "not only represents a shift away from the existing targets, but also neglects the long-standing call from [F]irst [N]ations that climate policy must be done in direct partnership with [F]irst [N]ations rights and title holders."[54] He recommended that the federal government "uphold […] free, prior and informed consent and the minimum standards of the United Nations Declaration on the Rights of Indigenous Peoples,"[55] and emphasized that:

> The AFN works on the basis of direction from the [F]irst [N]ations in assembly, which has provided clear direction that urgent, transformative and rights-based climate action cannot be sidelined during efforts to advance economic security and competitiveness.[56]

Progress Toward Canada's 2030 Greenhouse Gas Emissions Reduction Targets

In 2024, the Commissioner of the Environment and Sustainable Development (CESD) published a report on the implementation of measures in the 2030 Emissions Reduction Plan.[57] In Report 7 to the Parliament of Canada, *Canadian Net-Zero Emissions Accountability Act–2024 Report*, the CESD states the following:

> Implementation of measures in the 2030 Emissions Reduction Plan remains insufficient to meet Canada's target of reducing greenhouse gas emissions by 40% to 45% below 2005 levels by 2030. According to the federal government's data for 2022, emissions have been reduced by 7.1% since 2005.[58]

54 ENVI, *Evidence*, 30 October 2025, 1115 (Wendell LaBobe).

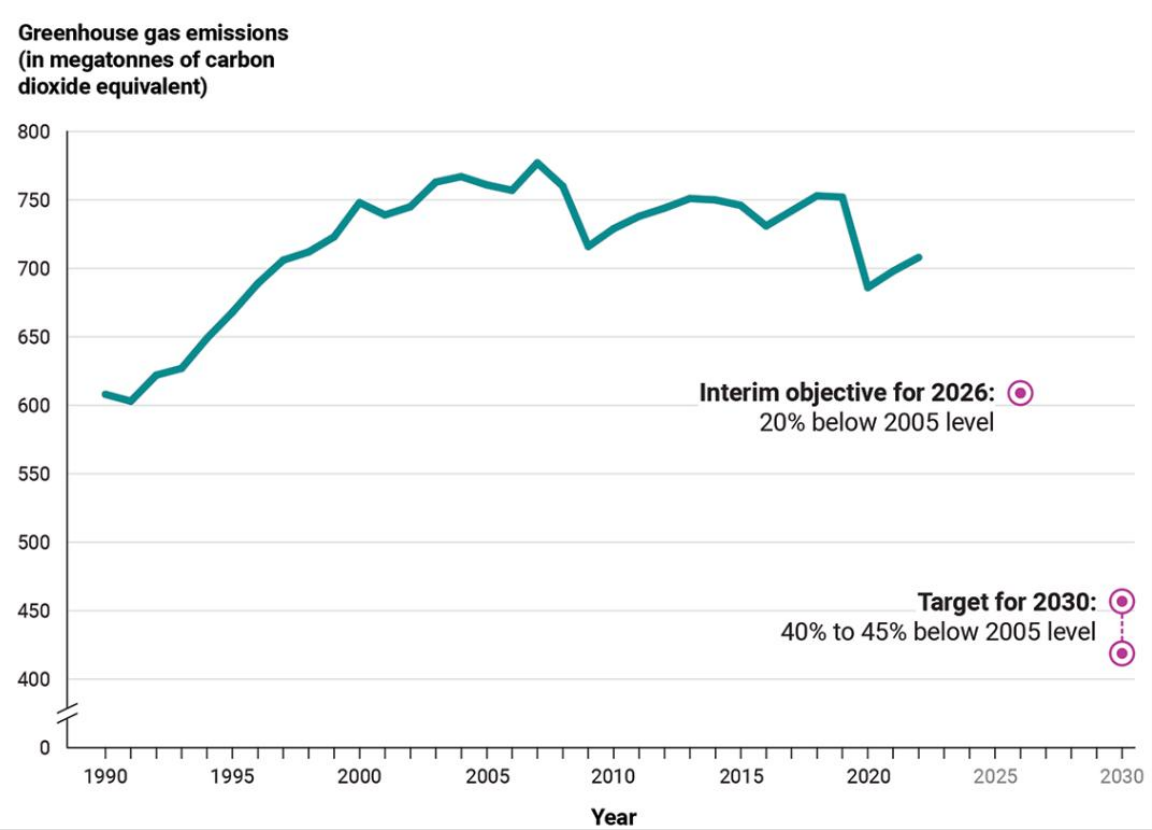
55 Ibid.

56 Ibid.

57 The *Canadian Net-Zero Emissions Accountability Act* assigns oversight responsibilities to the Commissioner of the Environment and Sustainable Development (CESD) to examine and report on the Government of Canada's implementation of climate change mitigation measures, including those identified in assessment reports as related to achieving the GHG emissions reduction targets, at least once every five years (subsection 24(1)). The act also enables the CESD to make recommendations through aforementioned report on improving the effectiveness of the Government of Canada's implementation of climate change mitigation measures identified in an emissions reduction plan (subsection 24(2)).

58 Office of the Auditor General of Canada, Reports of the Commissioner of the Environment and Sustainable Development to the Parliament of Canada, Report 7, *Canadian Net-Zero Emissions Accountability Act – 2024 Report*, 2024.

Figure 2—Canada's Greenhouse Gas Emissions, Projections, Objective and Target, as Presented in the Fall 2023 Report of the Commissioner of Environment and Sustainable Development, *Canadian Net-Zero Emissions Accountability Act – 2024 Report*



Notes: a. The land use, land-use change, and forestry accounting contributions were not included because those values had not yet been published.

b. This report contains emissions data from 1990 to 2022.

Source: Office of the Auditor General of Canada, Reports of the Commissioner of the Environment and Sustainable Development to the Parliament of Canada, Report 7, *Canadian Net-Zero Emissions Accountability Act – 2024 Report*, 2024.

The *Canadian Net-Zero Emissions Accountability Act* requires the Government of Canada publish progress reports on the ERP, two of which have been published so far (2023 and 2025).[59] A third progress report is required by the end of 2027.[60]

The latest ERP progress report projects that, in 2026, Canada will reduce emissions to 16% below 2005 levels,[61] short of Canada's interim emissions reduction objective for 2026 of 20% below 2005 levels.

Taking into account both emissions reduction measures currently in place and those that have been announced but are not yet fully implemented, the latest ERP progress report projects that, in 2030, Canada will reduce emissions by 28% below 2005 levels,[62] short of the 40% to 45% below 2005 levels target.

Dave Sawyer (Principal Economist, Canadian Climate Institute) pointed out that Canada has succeeded in decoupling economic growth from emissions over several decades,[63] as GHG emissions per unit of GDP appear to have been generally going down since the mid- to late-1990s (Figure 3).

59 Government of Canada, *2023 Progress Report on the 2030 Emissions Reduction Plan*, December 2023; Government of Canada, *2025 progress report on the 2030 Emissions Reduction Plan*, December 2025.

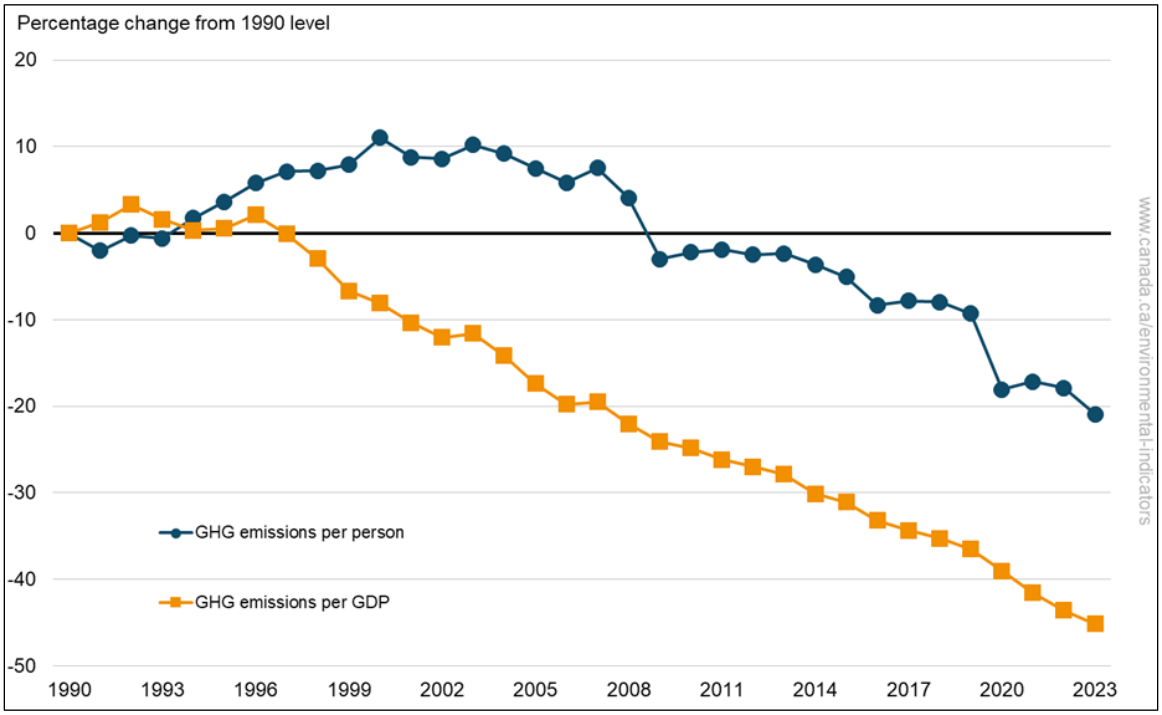
60 Government of Canada, *2030 Emissions Reduction Plan: Clean Air, Strong Economy*.

61 Government of Canada, *2025 Progress Report on the 2030 Emissions Reduction Plan*, 2025.

62 Ibid.

63 ENVI, *Evidence*, 6 October 2025, 1100 (Dave Sawyer, Principal Economist, Canadian Climate Institute).

Figure 3—Greenhouse Gas Emissions per Person and per Unit of Gross Domestic Product



Source: Government of Canada, *Greenhouse gas emissions: Intensity*, "Greenhouse gas emissions per person and per unit of GDP."

3. COMMENTS ON ELEMENTS OF CANADA'S EMISSIONS REDUCTION PLAN

During his appearance, Damon Matthews observed that not all witnesses shared the same assumptions about the relative importance of reducing Canada's emissions:

> It seems to me that we are really debating whether Canada should have an emissions reduction plan at all, or indeed whether the climate problem is important enough to warrant action. I think this is the fundamental barrier to progress. We're still debating the seriousness of the problem, and that this is still happening is both a failure of the climate science community and a triumph of the oil and gas industry.[64]

This section presents the range of views shared with the committee by witnesses. It begins with several big-picture considerations related to Canada's approach to greenhouse gas

64 ENVI, *Evidence*, 20 October 2025, 1200 (Damon Matthews).

emissions reduction targets, and then presents comments about improvements to the 2030 Emissions Reduction Plan, followed by comments on specific measures from that plan.

Canada not Meeting its Emissions Reduction Targets

A number of witnesses stated that Canada is not on track to meet its 2030 targets,[65] including Normand Mousseau, who shared findings indicating that Canada would fall short of achieving its targets.[66] Witnesses also noted that most sectors – such as buildings, electricity, and heavy industry – have reduced their emissions over time, but that the oil and gas sector has not done so.[67]

Christopher Bataille (Principal Investigator, Net Zero Industry) described how Canada's emissions reduction progress has differed by sector:

> Canada's GHG inventory provides a clear historical record of the size and direction of our sectoral emissions. While our population and economy have been growing, power production emissions have fallen steadily, building and transport emissions have been roughly flat, and non-oil and gas industry emissions are falling slowly, while emissions from the oil and gas sector have, over the course of my career, grown enough to offset almost all of the reductions in other sectors. This pattern has been consistent for the last 30 years or so.
>
> In short, we are going too slow but in the right direction in most sectors, and very quickly in the wrong direction in oil and gas. These dynamics mean we will almost certainly not hit our 2030 targets, and will probably not hit our 2050 Paris Agreement goals without significant changes. Our existing policies are simply too weak or missing in some sectors. How do we address this in a politically realistic way?[68]

Simon Donner (Professor) who was a member of the NZAB at the time of his testimony, framed the challenge as follows:

> The 2030 emissions reduction plan is the most comprehensive climate policy package in Canada's history. However, the plan is not sufficient to meet the 2030 emissions

65 ENVI, *Evidence*, 2 October 2025, 1215 (Normand Mousseau); ENVI, *Evidence*, 2 October 2025, 1220 (Caroline Brouillette, Executive Director, Climate Action Network Canada).

66 ENVI, *Evidence*, 2 October 2025, 1215 (Normand Mousseau).

67 ENVI, *Evidence*, 2 October 2025, 1215 (Normand Mousseau); ENVI, *Evidence*, 2 October 2025, 1220 (Caroline Brouillette).

68 ENVI, *Evidence*, 23 October 2025, 1215 (Christopher Bataille).

> reduction target, and several of its key components have now been cancelled or are at risk.[69]

Dave Sawyer stated that Canada's current emissions reduction policies would not meet the 2030 target, noting that emissions had "flatlined" in 2024 at 694 megatonnes.[70] When discussing Canada's "real but fragile" climate progress, Mr. Sawyer expressed concern that Canada's "policy rollbacks and record oil and gas output" were erasing emissions reduction progress.[71]

> Where are we compared to 2030? A year ago, our independent assessment of the emissions reduction plan […] found us roughly to be three-quarters of the way to our 2030 target, about a 35% reduction on a 40% target. Today, our latest estimates show about a 20% to 25% reduction against the 2005 baseline in 2030.[72]

Mr. Donner told the committee that not enough of the planned actions outlined in the ERP had been implemented and completed. Speaking of the NZAB, he said:

> [T]he implementation of the plan has been insufficient. That's leading Canada even further off the path to the 2030 target. In 2024, we wrote a report called "Closing the Gap", with advice to the minister, in which we advised taking a series of actions in order to achieve those modelled emissions reductions. These actions included implementing measures that were announced but not finalized. Those are things like the clean electricity regulations and included strengthening the industrial pricing system, which was not performing as intended, and included securing emissions reductions from the oil and gas sector, which is responsible for about 30% of Canada's emissions.[73]

Mr. Donner went on to explain:

> Our latest research, which was conducted with the Canadian Climate Institute, reiterates immediate steps the government could take to unlock investment and get climate policy back on track. These include strengthening the industrial pricing system and the carbon market system. They include developing more accountable and transparent implementation deals with the provinces and include grabbing the low-hanging fruit, things like the methane regulations and heat pump incentives for low-income households.[74]

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69 ENVI, *Evidence*, 2 October 2025, 1220 (Simon Donner).

70 ENVI, *Evidence*, 6 October 2025, 1100 (Dave Sawyer).

71 Ibid.

72 Ibid.

73 ENVI, *Evidence*, 2 October 2025, 1220 (Simon Donner).

74 Ibid.

In their brief, Geoffrey Strong, Richard van der Jagt, and Meg Sears expressed their view that responding to political pressure and lobbying, including from the fossil fuel industry, was slowing down the Government of Canada's progress in reducing emissions.[75]

Christopher Bataille noted the importance of reducing emissions sooner rather than later:

> Missing our 2030 targets is bad but recoverable. What will cost us dearly is if we never get to net zero at all, because the global temperature will keep rising until we do. The raw truth is that all investment must be low, net zero or negative emitting as soon as possible.[76]

Rachel Doran (Executive Director, Clean Energy Canada) noted the need to adapt policies to current political realities, but emphasized the need for action in the near term:

> [T]his new era does demand a renewed approach, one that emphasizes how emissions reductions can also reduce household costs and ensure Canada's competitiveness, but this needs to be a regrouping, not a retreat, refocusing on action now over ambition later.[77]

In contrast, Colin Hornby (General Manager, Keystone Agricultural Producers) and Heather Exner-Pirot (Director, Energy, Natural Resources and Environment, Macdonald-Laurier Institute) argued that Canada's targets were unrealistic,[78] while Sonya Savage (Senior Counsel, BLG, As an Individual) added: "When you pick a random target for an emissions target that you have no ability to meet, you'll see carbon leakage."[79] Ms. Savage advised that "urgency cannot simply ignore feasibility" and that an emissions reduction plan must be "achievable."[80]

Other authors of briefs and witnesses agreed that emissions reduction targets, even if somewhat aspirational, are important to drive ambition and guide business decisions.

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75 Geoffrey Strong, Richard van der Jagt and Meg Sears, Brief submitted to ENVI, undated, published 14 November 2025.

76 ENVI, *Evidence*, 23 October 2025, 1215 (Christopher Bataille).

77 ENVI, *Evidence*, 23 October 2025, 1105 (Rachel Doran, Executive Director, Clean Energy Canada).

78 ENVI, *Evidence*, 27 October 2025, 1115 (Colin Hornby, General Manager, Keystone Agricultural Producers); ENVI, *Evidence*, 6 October 2025, 1105 (Heather Exner-Pirot, Director, Energy, Natural Resources and Environment, Macdonald-Laurier Institute).

79 ENVI, *Evidence*, 27 October 2025, 1210 (Hon. Sonya Savage, Senior Counsel, BLG, As an Individual). Carbon leakage is defined in the 2030 Emissions Reduction Plan (pg. 26) as "the risk of industrial facilities moving from one region to another to avoid paying a price on carbon pollution".

80 ENVI, *Evidence*, 27 October 2025, 1210 (Hon. Sonya Savage).

Sophia Mathur (As an Individual) noted the importance, particularly to Canada's youth, of the country striving to meet emissions reduction targets and offered:

> [A] reminder that young people like me, the people you represent, are watching, learning and hoping. We trust that our leaders will listen to the evidence, respect the experts and keep their promises, because for me, this isn't just about emissions targets; it's about integrity. It's about what it means to make a promise to the next generation and to keep it.[81]

Dave Sawyer emphasized the importance of emissions reduction targets, even if Canada falls short of meeting them:

> Every tonne matters. Climate policy isn't a pass or fail test against the targets. Every tonne matters, and every tonne that is avoided avoids damages in Canada and globally, so it's not really about targets—they're a North Star to guide policy—it's really about driving emissions down in time.[82]

Modelling of Economic Costs

Ross McKitrick (Professor, As an Individual) remarked that there was a lack of transparent information about the economic costs of Canada's efforts to meet its emissions reduction targets under the *Paris Agreement*.[83] He recalled that during the Chrétien government (1993–2003),[84] there had been multiple published estimates for the cost of meeting Canada's climate commitments at that time, and contrasted this with his observation that "the current government has provided no information regarding the costs of meeting the Paris target,"[85] and that the ERP makes only "vague promises of economic benefits from implementing the plan."[86]

Mr. McKitrick explained that he had published modelling of certain elements of the ERP, and that, by his estimate, the ERP would reduce emissions about half way to the 2030 target, while the Canadian economy would continue to grow, but at a slower rate – at a cost of about 6% of Canada's gross domestic product (GDP).[87]

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81 ENVI, *Evidence*, 30 October 2025, 1210 (Sophia Mathur, As an Individual).

82 ENVI, *Evidence*, 6 October 2025, 1100 (Dave Sawyer).

83 ENVI, *Evidence*, 20 October 2025, 1100 (Ross R. McKitrick, Professor, As an Individual).

84 Parliament of Canada, Parlinfo, Prime Ministers of Canada.

85 ENVI, *Evidence*, 20 October 2025, 1100 (Ross R. McKitrick).

86 Ibid.

87 Ibid.

Mr. McKitrick also presented his analysis of the comparative costs of various measures in the ERP, noting that the most efficient measure, that is, the one that yielded the greatest emissions reductions at the lowest cost to Canadian residents had been the price on carbon:

> The carbon price is the cheapest and most effective component of the ERP. I estimate that by 2030, it would have reduced greenhouse gas emissions by about 18% compared with 2019 levels, and it would have reduced GDP growth by only about 0.1% per year. The clean fuel regulation cuts twice as much off the growth rate as the carbon tax and only reduces emissions a third as much, while the remaining regulatory components, such as tightened building energy efficiency codes, the EV mandate and so forth, are three times as costly as the carbon tax while being only about one-eighth as effective at reducing emissions.[88]

Shared Responsibility and Collaborative Approach

The 2030 ERP recognizes the importance of collaboration and the unique roles of provincial, territorial, Indigenous, and municipal governments in reducing emissions.[89]

A number of witnesses mentioned the importance of provincial emissions reduction measures in achieving Canada's overall targets. Normand Mousseau suggested that efforts by provinces have been insufficient.[90] Jerry DeMarco (Commissioner of the Environment and Sustainable Development, Office of the Auditor General) noted that the federal government does not believe that provincial measures will be sufficient, and commented that all levels of government need to take action.[91]

88 Ibid.

89 P. 89 of the federal government's *2030 Emissions Reduction Plan: Canada's Next Steps for Clean Air and a Strong Economy*, states, in Chapter 4: "The Government of Canada can't mitigate climate change alone. Internationally, climate change is a global challenge that requires coordinated, global solutions. At home, the environment is an area of shared jurisdiction between different levels of government. Provincial, territorial, Indigenous, municipal, and international governments have unique levers, knowledge, and expertise to reduce emissions in their jurisdictions. To achieve Canada's 2030 and 2050 climate objectives, enhanced collaboration with provinces, territories, Indigenous Peoples, and international peers will be critical."

90 ENVI, *Evidence*, 2 October 2025, 1215 (Normand Mousseau).

91 ENVI, *Evidence*, 9 October 2025, 1120 (Jerry V. DeMarco, Commissioner of the Environment and Sustainable Development, Office of the Auditor General).

Simon Donner suggested that the federal government should not be removing or weakening its policies without negotiating a plan with the provinces for them to strengthen other measures that would promote clean growth.[92]

The Premier of Alberta, Danielle Smith, spoke about Alberta's "Emissions Reduction and Energy Development Plan"[93] during her appearance before the committee. Premier Smith mentioned Alberta's achievements in meeting methane reduction targets and in phasing out coal-fired electricity in 2024, ahead of schedule. Premier Smith asserted that Alberta,

> [a]s Canada's energy leader, [is] on a path to double oil production and ensure that Canada can attract capital back to Canada, significantly enhance GDP, reduce our dependence on the United States and create hundreds of thousands of jobs while diversifying our trade markets globally.[94]

Premier Smith saw potential for both Canada and Alberta to be global energy superpowers, through investment in data centres, infrastructure, and petrochemical development. She stated:

> We can provide our people and the world with reliable energy and eliminate energy poverty for billions of people. We can act, and we must act, to enable investments in every major resource sector and deliver revenues and economic activity in support of this great country.[95]

When asked if she believed that a pipeline transporting oil from the oil sands helps reduce greenhouse gas emissions, Premier Smith stated that she did because there are many non-combustion uses for bitumen.[96]

Premier Smith was opposed to many federal government efforts to reduce emissions through the ERP, noting that she saw them as "investment killers."[97] Specifically, she mentioned the emissions cap and the *Clean Electricity Regulations*, which she saw as

92 ENVI, *Evidence*, 2 October 2025, 1220 (Simon Donner).

93 ENVI, *Evidence*, 23 October 2025, 1210 (Hon. Danielle Smith, Premier of Alberta, Government of Alberta).

94 Ibid.

95 Ibid.

96 ENVI, *Evidence*, 23 October 2025, 1255 (Hon. Danielle Smith).

97 Ibid.

penalizing Alberta's power sector, and registered her approval of the pause on the EV availability standard and the removal of the consumer carbon price.[98]

Wendell LaBobe implored the committee and Government of Canada "to apply a [F]irst [N]ations climate lens to the implementation of Canada's 2030 emissions reduction plan and all of Canada's climate policy going forward."[99] The Assembly of First Nations brief expanded upon the importance of employing a First Nations climate lens, and it recommended that federal, provincial and territorial governments "work directly, and in full partnership with, First Nations rights and title holders" on future emissions reduction targets and initiatives.[100] Catherine Potvin (Professor emerita, McGill University, As an individual) wanted Indigenous leadership to be recognized, noting that many renewable energy initiatives come from First Nations.[101]

Chief Dale Swampy (President and Chief Executive Officer, National Coalition of Chiefs) highlighted the intersection between climate change policy, Indigenous reconciliation, and standard of living/affordability. He urged the Government of Canada to acknowledge the diversity of Indigenous communities, to consult Indigenous peoples more broadly on proposed emissions reduction measures, and to avoid "the false narrative that all Indigenous people oppose energy projects."[102]

Colin Hornby shared that many farmers feel that the Government of Canada sets targets and timelines, such as those for emissions reductions, without fully understanding the implications of such decisions for farm productivity and economic viability.[103] He noted that this can lead to mistrust of government and deepens the urban-rural and east-west divides.[104] He recommended that emissions reduction measures be developed with farmers, and that they help – not hinder – Canadian agriculture.[105]

98 Ibid.

99 ENVI, *Evidence*, 30 October 2025, 1120 (Wendell LaBobe).

100 Assembly of First Nations, Brief submitted to ENVI, October 2025.

101 ENVI, *Evidence*, 30 October 2025, 1105 (Catherine Potvin).

102 ENVI, *Evidence*, 27 October 2025, 1215 (Dale Swampy, President and Chief Executive Officer, National Coalition of Chiefs).

103 ENVI, *Evidence*, 27 October 2025, 1115 (Colin Hornby).

104 Ibid.

105 Ibid.

Canada as an "Energy Superpower"

A number of witnesses[106] framed their comments to the committee around the federal government's objective to position Canada as "an energy superpower in clean and conventional energy."[107]

Margareta Dovgal (Managing Director, Resource Works Society) warned that leveraging Canada's full potential as an energy superpower and maintaining the emissions reduction plan are, in her view, "fundamentally irreconcilable."[108] Ms. Dovgal found flaws with many key measures of the ERP, specifically naming the oil and gas emissions cap, methane regulations, the *Clean Electricity Regulations*, the *Clean Fuel Regulations*, the EV availability standard, industrial carbon pricing, and carbon markets.[109] She expressed concern that, if industry were forced to purchase carbon credits because they could not otherwise achieve emissions reductions, it could lead industry to cut investments and production in Canada.[110]

Heather Exner-Pirot warned that some ERP measures were chasing away investment from Canada. She saw the ERP as standing in the way of a strong economy.[111]

Normand Mousseau explained that Canada's economic competitors who are meeting and exceeding their ambitious climate targets are "using the energy transition to modernize their [economies]"[112] and that Canada could choose to integrate itself into "global economic transformations"[113] by considering "climate policy as an industrial and economic policy"[114], rather than as environmental policy to secure its place in the global economy. He said the following: "To realize this economic potential, we must redouble

106 E.g. ENVI, *Evidence*, 30 October 2025, 1215 (Jim Keating, Chief Executive Officer, Oil & Gas Corporation of Newfoundland and Labrador).

107 Government of Canada, *Major Projects Office*, "Advancing nation building projects."

108 ENVI, *Evidence*, 30 October 2025, 1210 (Margareta Dovgal, Managing Director, Resource Works Society).

109 Ibid.

110 Ibid.

111 ENVI, *Evidence*, 6 October 2025, 1105 (Heather Exner-Pirot).

112 ENVI, *Evidence*, 2 October 2025, 1215 (Normand Mousseau).

113 Ibid.

114 Ibid.

our efforts to meet our targets rather than weaken them. Businesses and industry sectors need certainty rather than increased instability."[115]

Maintaining Policy Certainty and Durability

A few witnesses mentioned the importance of maintaining policy certainty,[116] commenting that certainty and policy durability are key to securing and sustaining investment in Canada's economy.[117]

Janetta McKenzie (Director, Oil and Gas, Pembina Institute) pointed to the value of longer-term policy consistency, relaying that the electricity sector had succeeded in reducing 60% of its emissions over 20 years while increasing generation by 10%.[118] Ms. McKenzie attributed these reductions to "clear, long-term climate policies" in the form of coal-fired electricity phase-outs at both the provincial and federal levels.[119] According to Ms. McKenzie:

> [T]he fact that we are not yet on track to meet our 2030 climate targets does not mean that the emissions reduction plan has failed. Such measures as industrial pricing, clean electricity regulations and electric vehicle sales standards are long-term measures whose benefits will only be fully realized if they're given the time to do so. Much like preparing for a marathon, where every training run you do improves your fitness, every tonne that we don't emit and every low-carbon investment that is made improves our climate competitiveness.[120]

Etienne Rainville (Vice President, Central Canada, Clean Prosperity) identified a lack of long-term certainty in the industrial carbon pricing system as a major issue.[121] He cautioned that a stable carbon market was needed for industry to advance proposed emissions reduction projects, which are valued at an estimated 50 billion dollars.[122]

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115 Ibid.

116 ENVI, *Evidence*, 2 October 2025, 1220 (Simon Donner); ENVI, *Evidence*, 23 October 2025, 1220 (Merran Smith); ENVI, *Evidence*, 2 October 2025, 1220 (Caroline Brouillette).

117 ENVI, *Evidence*, 23 October 2025, 1220 (Merran Smith); ENVI, *Evidence*, 2 October 2025, 1220 (Caroline Brouillette).

118 ENVI, *Evidence*, 27 October 2025, 1110 (Janetta McKenzie, Director, Oil and Gas, Pembina Institute).

119 Ibid.

120 Ibid.

121 ENVI, *Evidence*, 27 October 2025, 1105 (Etienne Rainville, Vice President, Central Canada, Clean Prosperity).

122 Ibid.

In a brief, Greg Moffatt, President and CEO of the Chemistry Industry Association of Canada, also emphasized the value of certainty, noting "[t]he transition to a net-zero economy will not happen overnight and requires time and regulatory certainty for industry to effectively plan, implement, and scale low carbon investments."[123]

Dawn Farrell, Chief Executive Officer, Major Projects Office, also commented on the importance of certainty for attracting investment:

> We can only do our work if we work in close partnership with federal government departments, provinces, territories and [I]ndigenous peoples. One of our main objectives is to ensure that we create enough certainty that we really leverage the power of private investors.[124]

Linking Climate, Economic and Industrial Policy

A few other witnesses highlighted the economic opportunities associated with emissions reduction measures. Merran Smith, the president of New Economy Canada suggested that a strong Canada, with well-paying jobs across the country, requires strong links between its climate and industrial policy.[125] Other witnesses agreed that economic, industrial, and climate policies should be closely integrated.[126]

Christopher Bataille saw opportunities for Canada's industrial future, commenting, "why shouldn't the world's best cold-weather electric vehicles, buildings, heat pumps and clean power generation equipment of all kinds be designed, tested and built here?"[127]

Simon Donner commented that research has indicated that good climate policy is good economic policy.[128] Damon Matthews noted that a thriving low-carbon economy is possible, and that there are many policy options that could make it happen, including major infrastructure projects, such as expanding the national electricity grid, electrifying transport, and expanding renewable energy generation.[129]

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123 Greg Moffatt, Chemistry Industry Association of Canada, Brief submitted to ENVI, 28 October 2025.

124 ENVI, *Evidence*, 9 October 2025, 1205 (Dawn Farrell, Chief Executive Officer, Major Projects Office).

125 ENVI, *Evidence*, 23 October 2025, 1220 (Merran Smith).

126 E.g. ENVI, *Evidence*, 6 October 2025 (Moe Kabbara, President, The Transition Accelerator).

127 ENVI, *Evidence*, 23 October 2025, 1215 (Christopher Bataille).

128 ENVI, *Evidence*, 2 October 2025, 1220 (Simon Donner).

129 ENVI, *Evidence*, 20 October 2025, 1200 (Damon Matthews).

Moe Kabbara (President, The Transition Accelerator) emphasized the long-term transformation of the economy, suggesting that policymakers consider the following factors when contemplating potential emissions reduction measures:

> Ultimately, when we're refocusing the 2030 plan, I would argue that every action should answer three questions. Does this strengthen Canada's competitive position? Does this create long-term economic value? Does this drive the structural transformation we need towards a low-carbon future?
>
> It's really not necessarily about pursuing the lowest cost or the easiest emission reduction in the near term; it's about really transforming the economy so that we can build the structure required that would be part of our low-carbon future.[130]

Major Projects Office and Projects of National Importance

In her testimony, Dawn Farrell set out the criteria for a project to be considered of national importance:

> In considering whether a project is of national importance, the office evaluates a variety of factors. They're in the legislation. It's the potential to contribute to Canada's autonomy, resilience and security; the economic benefits; the contribution to [I]ndigenous interests; and contributions to clean growth and our climate objectives. It's also about the executability of these projects in a time frame that will make Canada strong over the short term and the long term.[131]

In response to a question about whether the Trans Mountain pipeline project is a good project for addressing climate change, Dawn Farrell replied: "The answer is yes."[132]

Jonathan Timlin, who is Vice President, System Operations, at the Canadian Energy Regulator (CER), outlined the role of the CER, which he said was

> to regulate energy infrastructure, international and interprovincial power lines and offshore energy projects in a way that prevents harm and ensures a safe, reliable, competitive and environmentally sustainable delivery of energy to Canada and the world. Our mandate includes the full life cycle of the energy infrastructure we regulate, from design and assessment through to construction, operation and end-of-life.[133]

130 ENVI, *Evidence*, 6 October 2025 (Moe Kabbara).

131 ENVI, *Evidence*, 9 October 2025, 1205 (Dawn Farrell).

132 ENVI, *Evidence*, 9 October 2025, 1250 (Dawn Farrell).

133 ENVI, *Evidence*, 9 October 2025, 1215 (Jonathan Timlin, Vice President, System Operations, Canadian Energy Regulator).

He also noted that reconciliation with Indigenous people in Canada is core to the CER's work, stating that the organization is implementing the United Nations Declaration on the Rights of Indigenous Peoples.[134] Mr. Timlin informed the committee that CER oversees around 73,000 km of federally regulated pipelines and around 1600 km of power lines.[135]

In its brief to the committee, the Assembly of First Nations recommended that "any proposed infrastructure [or] transportation project, including those supported by the *Building Canada Act*, on First Nations territories [be] designed in partnership with First Nations, based on the full recognition of First Nations jurisdiction and self-determination."[136]

Selected Comments Related to Improving Canada's 2030 Emissions Reduction Plan

The committee heard many ideas from witnesses about how Canada's emissions reduction efforts could be improved, including in the following areas.

Electrification

Numerous witnesses highlighted the importance of electrification to lowering emissions.[137] Rachel Doran told the committee that "two-thirds of global energy investment this year will go to clean technologies" and suggested that Canada's motto for emissions reductions should be "electrify, baby, electrify."[138] She asserted that cutting emissions can reduce household costs and ensure Canada's competitiveness, priorities she identified as important.[139] Several authors of briefs recommended a quick

134 Ibid.

135 Ibid.

136 Assembly of First Nations, Brief submitted to ENVI, October 2025.

137 ENVI, *Evidence*, 6 October 2025 (Moe Kabbara); ENVI, *Evidence*, 23 October 2025, 1105 (Rachel Doran); ENVI, *Evidence*, 27 October 2025, 1220 (David Miller); ENVI, *Evidence*, 30 October 2025, 1105 (Catherine Potvin); ENVI, *Evidence*, 30 October 2025, 1110 (Amy Nugent, Associate Director, Marine Climate Action, Oceans North); International Institute for Sustainable Development, Brief submitted to ENVI, 5 November 2025; Geoffrey Strong, Richard van der Jagt and Meg Sears, Brief submitted to ENVI, undated, published 14 November 2025; Catherine Vakil, Brief submitted to ENVI, undated, published 14 November 2025.

138 ENVI, *Evidence*, 23 October 2025, 1105 (Rachel Doran).

139 Ibid.

transition to a clean low carbon electricity system to avoid the deleterious health effects of burning fossil fuels, including premature deaths from air pollution.[140]

Catherine Potvin emphasized the importance of electric interconnection between provinces so that renewable energy can be generated in one region and used in another;[141] David Miller also advocated for a "national east-west-north clean electricity grid."[142] Christopher Bataille said he saw the potential for Canada to become a "competitive, wealthy and equitable electrostate."[143]

Merran Smith expressed the view that the ERP's focus on clean electricity was "critical," adding, "[a]s we diversify trade and build Canada's new economy, clean electricity, battery storage and an interconnected grid will be the foundation of our industrial growth, building off our relatively clean existing grid already."[144]

Sector-Specific Approach

Some witnesses and authors of briefs recommended that the ERP provide tailored and targeted approaches for different sectors, recognizing the unique technological and economic challenges faced by various sectors.[145]

Christopher Bataille explained that some sectors can be cleanly electrified, while others can not, and went on to outline why regulation works well in some cases but not others; for example in heavy industry, he suggested that carbon pricing is the best approach, because:

> [H]eavy industry and large businesses are not easily regulated. Every industrial sector process is different, and almost every industrial facility is tailored to local circumstances. There is no one-size-fits-all answer, and there are usually lots of low-cost but complicated options and a few high-cost but simpler ones. Industries are usually, to

140 Catherine Vakil, Brief submitted to ENVI, undated, published 14 November 2025; Geoffrey Strong, Richard van der Jagt and Meg Sears, Brief submitted to ENVI, undated, published 14 November 2025.

141 ENVI, *Evidence*, 30 October 2025, 1105 (Catherine Potvin).

142 ENVI, *Evidence*, 27 October 2025, 1220 (David Miller).

143 ENVI, *Evidence*, 23 October 2025, 1215 (Christopher Bataille).

144 ENVI, *Evidence*, 23 October 2025, 1220 (Merran Smith).

145 E.g. ENVI, *Evidence*, 23 October 2025, 1215 (Christopher Bataille); ENVI, *Evidence*, 27 October 2025, 1105 (Etienne Rainville); ENVI, *Evidence*, 9 October 2025, 1110 (Aaron Cosbey, Chair, Commission on Carbon Competitiveness); ENVI, *Evidence*, 30 October 2025, 1110 (Amy Nugent).

> some extent, exposed to trade and global policy developments as well, as we have seen in the last year or so.
>
> Business also tracks all revenues and costs very closely, which means carbon pricing works well in this sector, with tweaks to protect competitiveness, such as Canada's output-based pricing system or border carbon adjustments. These policies must be carefully calibrated, or the policies' effectiveness can collapse. These dynamics are well understood but require a competent oversight agency and clear expectations of stringency by all parties[146]

Aaron Cosbey (Chair, Commission on Carbon Competitiveness) advocated for an approach to industrial carbon pricing that treats sectors differently, stating that his organization's research indicated that the risk of carbon leakage and competitiveness impacts […] are vastly different from sector to sector.[147]

Improving Energy Efficiency

Witnesses also highlighted the value of energy efficiency, which is addressed in numerous parts of the ERP.[148] Brendan Haley (Senior Director of Policy Strategy, Efficiency Canada) emphasized the low cost, high speed, and made-in-Canada nature of increasing energy efficiency, pointing out how quickly it can be implemented compared with other measures, calling it "a very tariff-proof and cost-cutting solution for industry."[149] He suggested that energy efficiency could be one of the nation-building projects supported by the federal government, and noted that studies had shown that energy efficiency could contribute 25% to 35% of Canada's 2030 emissions reduction goals and support Canadian businesses and innovators.[150]

David Miller spoke to the committee on behalf of Elbows Up for Climate, which is a coalition of over 250 mayors, councillors, and other municipal leaders. He spoke in favour of energy retrofits for homes and buildings and heat pump installations, and recommended building at least two million non-market energy efficient homes.[151]

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146 ENVI, *Evidence*, 23 October 2025, 1215 (Christopher Bataille).

147 ENVI, *Evidence*, 9 October 2025, 1110 (Aaron Cosbey).

148 Government of Canada, *2030 Emissions Reduction Plan: Clean Air, Strong Economy*, see, for example section 2.2, "Buildings."

149 ENVI, *Evidence*, 20 October 2025, 1105 (Brendan Haley, Senior Director of Policy Strategy, Efficiency Canada).

150 Ibid.

151 ENVI, *Evidence*, 27 October 2025, 1220 (David Miller).

Mr. Haley praised a federal program that supported energy efficiency for low-income households, and emphasized the importance of continuing it and having a specific end goal for the program, such as "eliminating energy poverty."[152] He noted that uncertainty about whether such programs will continue is harmful for the sustainability of the energy efficiency industry and threatens the jobs of all the workers, in particular those who became home energy consultants in response to the expectation of ongoing federal programs.[153] He also pointed out the interconnectedness of energy efficiency with other societal benefits and unaccounted-for savings; for example, when people can afford to cool and heat their homes properly, they face fewer health risks, thus reducing health care costs.[154] In his brief, Guy Rochefort also recommended that the Government of Canada support energy retrofits of residential and other buildings, with a focus on lower-income residents.[155]

Caroline Brouillette, Executive Director, Climate Action Network Canada, emphasized that energy efficiency is affordable and can help with the cost of living crisis,[156] while Damon Matthews noted that efforts in energy efficiency had helped the United Kingdom be on track to achieve its emissions targets.[157]

Catherine Potvin expressed support for changes that both improve household affordability and lower emissions, such as energy-efficient homes and low emitting cars.[158]

Low Emissions Transportation

A few witnesses highlighted the importance of investing in low-emissions transportation – such as a national high-speed rail network.[159]

152 ENVI, *Evidence*, 20 October 2025, 1140 (Brendan Haley).

153 ENVI, *Evidence*, 20 October 2025, 1105 (Brendan Haley).

154 ENVI, *Evidence*, 20 October 2025, 1135 (Brendan Haley).

155 Guy Rochefort, Brief submitted to ENVI, undated, published on ENVI website 6 November 2025.

156 ENVI, *Evidence*, 2 October 2025, 1300 (Caroline Brouillette).

157 ENVI, *Evidence*, 20 October 2025, 1240 (Damon Matthews).

158 ENVI, *Evidence*, 30 October 2025, 1105 (Catherine Potvin).

159 ENVI, *Evidence*, 30 October 2025, 1105 (Catherine Potvin); ENVI, *Evidence*, 27 October 2025, 1220 (David Miller).

Amy Nugent (Associate Director, Marine Climate Action, Oceans North) called for federal support to modernize and electrify ports, including through the *Building Canada Act*.[160] According to her:

> Modern electrified ports … connect offshore wind to the grid, enable energy storage, connect rail and road transport, facilitate electrified cargo handling and support supply chains for zero-emission marine fuels. By designing ports as hubs for clean energy and fuels, we can maximize the value of federal infrastructure spending and create lasting economic opportunities.[161]

Ms. Nugent highlighted the opportunity to lower emissions of ferries and workboats (e.g. Coast Guard ships, tugs, fishing boats) through electrification.[162] In their brief, Equal Routes highlighted the impact of shipping emissions, and in particular black carbon,[163] on the Arctic. They advocated for the use of cleaner fuels that would reduce shipping emissions and air pollution in the Arctic.[164]

Comments on Specific Measures from Canada's 2030 Emissions Reduction Plan

Many of the ideas and opinions the committee heard focused on specific measures from the ERP. Some of these policies were addressed by the federal government in its Climate Competitiveness Strategy, which was released after the committee finished hearing testimony for this study.[165]

160 ENVI, *Evidence*, 30 October 2025, 1110 (Amy Nugent).

161 Ibid.

162 Ibid.

163 As described in the Government of Canada document, *Canada's Black Carbon Inventory Report 2025*, black carbon is "a short-lived, small aerosol (or airborne) particle linked to both climate warming and adverse health effects. It is emitted from incomplete combustion of carbon-based fuels (i.e., fossil fuels, biofuels, wood) in the form of very fine particulate matter. Black carbon is not emitted on its own, but as a component of particulate matter less than or equal to 2.5 micrometres in diameter."

164 Equal Routes, Brief submitted to ENVI, undated, published 14 November 2025.

165 Government of Canada, Budget 2025, Chapter 1, Section 1.3: Canada's Climate Competitiveness Strategy.

Industrial Carbon Pricing

A number of witnesses emphasized the importance of maintaining[166] and strengthening industrial carbon pricing.[167] Janetta McKenzie, among others, noted that the industrial carbon price is a market signal to industry and innovators in support of new, cleaner technologies,[168] and that it will help cut emissions, resulting in cleaner products.[169]

Etienne Rainville described how output-based pricing systems allow industry to identify and invest in the lowest-cost ways to reduce emissions.[170] He explained that most provinces apply industrial carbon pricing through output-based pricing systems, which

> work by establishing a performance benchmark for each facility and setting a stringency rate that prices a specific fraction of a given facility's emissions. That benchmark tightens every year, slowly escalating both the price and the fraction of emissions covered.
>
> Facilities that exceed the benchmark face a compliance cost, and those that outperform it are able to generate credits to sell to those that have exceeded it. In this way, a market is created.[171]

He also expressed the view that:

> Industrial carbon pricing is the single most significant policy detailed in the ERP. Industrial emissions account for 42% of Canadian emissions, and this single policy is projected to achieve as much as 50% of Canada's reductions by 2030. Further, it achieves that while being among the lowest economic costs to Canada, being sensitive to trade-exposed sectors, creating minimal pass-through costs to consumers and being widely supported by industry.[172]

166 ENVI, *Evidence*, 23 October 2025, 1215 (Christopher Bataille); ENVI, *Evidence*, 23 October 2025, 1220 (Merran Smith); ENVI, *Evidence*, 2 October 2025, 1220 (Simon Donner); ENVI, *Evidence*, 27 October 2025, 1105 (Etienne Rainville); ENVI, *Evidence*, 2 October 2025, 1220 (Caroline Brouillette).

167 Climate Action Network – Réseau action climat Canada (CAN-Rac), Brief submitted to ENVI, 27 October 2025; Janetta McKenzie, Scott MacDougall and Adam Thorn, Pembina Institute, Brief submitted to ENVI, 16 October 2025; ENVI, *Evidence*, 9 October 2025, 1110 (Aaron Cosbey).

168 ENVI, *Evidence*, 27 October 2025, 1110 (Janetta McKenzie); ENVI, *Evidence*, 27 October 2025, 1105 (Etienne Rainville).

169 ENVI, *Evidence*, 23 October 2025, 1220 (Merran Smith).

170 ENVI, *Evidence*, 27 October 2025, 1105 (Etienne Rainville).

171 Ibid.

172 Ibid.

Janetta McKenzie noted that industrial carbon pricing "has enjoyed the support of heavy industry, including oil and gas executives, for well over a decade because of how it slowly and predictably gets stronger, allowing them to plan out more and more investment in decarbonization over time."[173] In her view, strong industrial carbon pricing systems could efficiently channel investment toward goals of cleaner oil sands and decarbonized oil.[174]

Sonya Savage said that industrial carbon pricing, "if priced right and left to the province to implement," can help attract investment into a low-carbon economy.[175] Aaron Cosbey supported industrial carbon pricing, but viewed it as "in crisis" in Canada, noting that:

> The sectoral performance standards—that is, the level above which the carbon price is paid—need to be tightened. More important is that they need to be much better tailored to the different sectors. These standards are supposed to protect against the risk of carbon leakage and competitiveness impacts, and our research shows clearly that those risks are vastly different from sector to sector. The current approach is too burdensome for some sectors, and it provides absolutely no incentives for others. Other improvements are also needed: price transparency, stronger rules on equivalency, price floors or contracts for differences, larger markets, and so on.[176]

In contrast, Stand.earth argued that special treatment for some sectors or facilities should be eliminated. They also recommended that the Government of Canada increase the benchmark cost of industrial emissions and focus on absolute emissions reductions, instead of emissions intensity.[177]

Aaron Cosbey expressed the view that in the long run, output-based pricing might not be able to protect against loss of competitiveness, and suggested that the federal government start early to plan for mechanisms like a border carbon adjustment.[178] He also noted that he saw an industrial carbon price as necessary but not sufficient, and that heavy support from other policies was needed to achieve emissions reduction targets.[179]

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173 ENVI, *Evidence*, 27 October 2025, 1110 (Janetta McKenzie).

174 Ibid.

175 ENVI, *Evidence*, 27 October 2025, 1210 (Hon. Sonya Savage).

176 ENVI, *Evidence*, 9 October 2025, 1110 (Aaron Cosbey).

177 Stand.earth, Brief submitted to ENVI, October 2025.

178 ENVI, *Evidence*, 9 October 2025, 1110 (Aaron Cosbey).

179 Ibid.

Other witnesses and authors of briefs raised concerns about the economic impacts of industrial carbon pricing.[180] For instance, Heather Exner-Pirot argued that the industrial carbon price could lead to carbon leakage, pushing heavy industry out of Canada and to jurisdictions without carbon pricing.[181] The Chemistry Industry Association of Canada called for a full review of Canada's industrial carbon pricing system to ensure that it allows emissions-intensive trade-exposed sectors to remain competitive.[182]

In its Climate Competitiveness Strategy, the federal government set out its intention to "improve the effectiveness of Canada's industrial carbon pricing system."[183] It said it would "engage provincial and territorial (PT) governments in setting a multi-decade industrial carbon price trajectory that targets net-zero by 2050,"[184] that it would "[f]ix the benchmark and improve the backstop,"[185] and that it would continue to offer carbon contracts for difference.[186]

Proposed Oil and Gas Emissions Cap

The federal government noted in the 2025 budget that the effect of carbon markets, enhanced oil and gas methane regulations, and the deployment at scale of technologies such as carbon capture and storage would create the circumstances whereby the oil and gas emissions cap would no longer be required, as it would have marginal value in reducing emissions.[187] The section below provides an overview of views that the committee heard before Budget 2025 was published.

180 E.g. ENVI, *Evidence*, 6 October 2025, 1105 (Heather Exner-Pirot); ENVI, *Evidence*, 27 October 2025, 1210 (Hon. Sonya Savage); ENVI, *Evidence*, 30 October 2025, 1210 (Margareta Dovgal); ENVI, *Evidence*, 30 October 2025, 1215 (Jim Keating); ENVI, *Evidence*, 27 October 2025, 1215 (Dale Swampy); Energy for a Secure Future, Brief submitted to ENVI, 30 October 2025.

181 ENVI, *Evidence*, 6 October 2025, 1105 (Heather Exner-Pirot).

182 Greg Moffatt, Chemistry Association of Canada, Brief submitted to ENVI, 28 October 2025.

183 Government of Canada, Budget 2025, Chapter 1, Section 1.3: Canada's Climate Competitiveness Strategy.

184 Ibid.

185 Ibid.

186 Ibid.

187 Ibid.

Witnesses and authors of briefs expressed various concerns about the proposed oil and gas emissions cap.[188] Heather Exner-Pirot stated that it has impeded the attraction of capital such that Canada's "LNG and oil will not be globally competitive with the cap in place, and capital will flow to places with lower environmental and ethical standards."[189] Sonya Savage also saw the oil and gas emissions cap as causing capital to flow to other jurisdictions, "undermining Canada's ability to be a conventional and clean energy superpower."[190] Jim Keating (Chief Executive Officer, Oil and Gas Corporation of Newfoundland and Labrador) agreed, stating that the proposed oil and gas emissions cap had brought momentum in offshore exploration wells "to a crashing halt" because "companies simply believe they will be unable to develop a discovered resource."[191] He noted that the drilling of exploration wells is trending upwards, and that Newfoundland and Labrador and Canada are missing out on these investments.[192]

Chief Dale Swampy stated that the proposed oil and gas emissions cap would be detrimental to the over "14,000 self-identified [I]ndigenous people [who] work in Canada's oil and gas industry,"[193] their families and communities.[194]

Renaud Brossard (Vice-President, Communications, Montreal Economic Institute), also expressed opposition to the emissions cap, arguing that it was unfair to limit emissions from some activities and not others.[195] He argued that this policy would stunt the growth of Canada's energy industry, prevent job creation, and deprive federal and provincial government of significant tax revenues, while delivering "no benefits."[196] Gabriel Giguère (Senior Policy Analyst, Montreal Economic Institute) added his view that

188 E.g. ENVI, *Evidence*, 6 October 2025, 1105 (Heather Exner-Pirot); ENVI, *Evidence*, 20 October 2025, 1130 (Ross R. McKitrick); ENVI, *Evidence*, 30 October 2025, 1215 (Jim Keating); ENVI, *Evidence*, 30 October 2025, 1220 (Margareta Dovgal); ENVI, *Evidence*, 27 October 2025, 1215 (Dale Swampy); Energy for a Secure Future, Brief submitted to ENVI, 30 October 2025.

189 ENVI, *Evidence*, 6 October 2025, 1105 (Heather Exner-Pirot).

190 ENVI, *Evidence*, 27 October 2025, 1210 (Hon. Sonya Savage).

191 ENVI, *Evidence*, 30 October 2025, 1215 (Jim Keating).

192 Ibid.

193 ENVI, *Evidence*, 27 October 2025, 1215 (Dale Swampy).

194 Ibid.

195 ENVI, *Evidence*, 23 October 2025, 1115 (Renaud Brossard, Vice-President, Communications, Montreal Economic Institute).

196 Ibid.

a cap on emissions was a cap on production, and that market demand would lead to oil being sold instead by other countries such as Qatar or Venezuela.[197]

Ron Wallace, (Former Member, National Energy Board), told the committee that Canada is an outlier, as no other oil-producing country has implemented a sector-specific emissions cap for oil and gas production.[198]

However, a number of other authors of briefs and witnesses expressed their support for an oil and gas emissions cap, which has not yet been implemented.[199] The David Suzuki Foundation's rationale for an oil and gas sector emissions cap included:

- the oil and gas sector's relative contributions to GDP and emissions – the oil and gas sector drives 1/20th of Canada's GDP and is responsible for almost 1/3 of Canada's emissions;[200] and

- the "oil and gas industry has been extremely profitable in recent years" but it has not used these profits to invest in emissions reductions.[201]

The International Institute for Sustainable Development observed that "growing emissions from the oil and gas sector are offsetting reductions in other sectors."[202] They expressed that the emissions cap was one of the tools that should be implemented in order to drive down these emissions.[203]

197 ENVI, *Evidence*, 23 October 2025, 1115 (Gabriel Giguère (Senior Policy Analyst, Montreal Economic Institute).

198 ENVI, *Evidence*, 20 October 2025, 1205 (Ron Wallace, Former Member, National Energy Board).

199 ENVI, *Evidence*, 20 October 2025, 1230 (Damon Matthews); ENVI, *Evidence*, 2 October 2025, 1220 (Simon Donner); ENVI, *Evidence*, 2 October 2025, 1250 (Caroline Brouillette); International Institute for Sustainable Development, Brief submitted to ENVI, 5 November 2025; Stand.earth, Brief submitted to ENVI, October 2025; David Suzuki Foundation, Brief submitted to ENVI, 30 October 2025; Sabrina Payant Smith, Environmental Defence, Brief submitted to ENVI, undated, published 3 November 2025.

200 David Suzuki Foundation, Brief submitted to ENVI, 30 October 2025.

201 Matt Dreis, Pembina Institute, *Waiting to launch: 2024 mid-year update*, September 2024 in: David Suzuki Foundation, Brief submitted to ENVI, 30 October 2025.

202 International Institute for Sustainable Development, Brief submitted to ENVI, 5 November 2025.

203 Ibid.

Electric Vehicle Availability Standard

Some witnesses supported the electric vehicle availability standard (EVAS).[204] For instance, some emphasized its importance in sending a market signal – to auto makers, battery producers, mining and processing companies, and EV charging companies – and thus driving investment, innovation, and growth across the supply chain.[205] These witnesses said they would like the EVAS to be maintained.[206]

Renaud Brossard, in contrast, welcomed the pause on the EVAS, suggested that it had been "one of the most costly [measures] for consumers."[207] He emphasized the high cost of EVs, and expressed the view that EVs would cause high electricity demand that would be expensive to meet, with costs affecting households.[208] Ross McKitrick stated that his analysis showed that the EVAS was three times as costly as the consumer carbon price but only 1/8 as effective at reducing emissions.[209] In its brief, the David Suzuki Foundation wrote that:

> Economic analysis from The Atmospheric Fund finds a strong EVAS yields major net benefits: ~$90 billion in health gains, up to 11,000 premature deaths avoided, and 362 [megatonnes] GHG reductions over 25 years; weakening/delaying the standard sacrifices those benefits.[210]

In the Climate Competitiveness Strategy, the federal government stated:

> In September, the government announced its intent to make targeted regulatory adjustments to help the automotive sector stay competitive during a period of upheaval and uncertainty in response to immediate challenges from U.S. trade and policy actions. This included the initial step of removing the 2026 target from the Electric Vehicle Availability Standard and launching a 60-day review of the overall regulation.[211]

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204 The electric vehicle availability standard is referred to as the zero-emissions vehicle (ZEV) sales mandate in the 2030 ERP.

205 E.g. ENVI, *Evidence*, 23 October 2025, 1220 (Merran Smith).

206 ENVI, *Evidence*, 23 October 2025, 1215 (Christopher Bataille).

207 ENVI, *Evidence*, 23 October 2025, 1110 (Renaud Brossard).

208 Ibid.

209 ENVI, *Evidence*, 20 October 2025, 1100 (Ross R. McKitrick).

210 David Suzuki Foundation, Brief submitted to ENVI, 30 October 2025, p. 3.

211 Government of Canada, Budget 2025, Chapter 1, Section 1.3: Canada's Climate Competitiveness Strategy.

This standard has now been repealed by the Government of Canada, which announced its intention to replace it with a greenhouse gas emissions standard for light-duty vehicles, effective 5 February 2026.

Clean Electricity Regulations

Some witnesses expressed concern about the feasibility or consequences[212] of the *Clean Electricity Regulations*.[213] For example, Sonya Savage warned that Alberta, which relies on natural gas for 75% of its electricity, has said that there are no affordable means of complying with the *Clean Electricity Regulations*.[214] Heather Exner-Pirot was of the opinion that the *Clean Electricity Regulations* had driven up electricity costs and limited power generation such that Canada is losing out on artificial intelligence (AI) investment to the United States.[215] Premier Smith, Margareta Dovgal and Ross McKitrick raised concerns about the reliability of energy and storage costs associated with solar and wind energy sources, which are promoted through the *Clean Electricity Regulations*.[216] The David Suzuki Foundation stated the opposite in its submission to the committee: "Canada's major energy-systems modellers find that shifting from fossil fuels to clean electricity lowers total household energy costs over time—even if electricity rates rise."[217]

A number of other witnesses emphasized the value of maintaining the *Clean Electricity Regulations*,[218] including Christopher Bataille, who suggested that provinces need the regulations in order "to formally add climate goals to the laws enabling utility mandates and municipal planning and zoning."[219] Rachel Doran commented that "[the *Clean Electricity Regulations*] have been an important market signal tool across Canada that

212 E.g. ENVI, *Evidence*, 6 October 2025, 1105 (Heather Exner-Pirot); ENVI, *Evidence*, 27 October 2025, 1210 (Hon. Sonya Savage); ENVI, *Evidence*, 20 October 2025, 1130 (Ross R. McKitrick); ENVI, *Evidence*, 23 October 2025, 1210 (Hon. Danielle Smith); ENVI, *Evidence*, 30 October 2025, 1210 (Margareta Dovgal).

213 *Clean Electricity Regulations* (SOR/2024-263) were made pursuant to the *Canadian Environmental Protection Act, 1999*, (S.C. 1999, c. 33). The *Clean Electricity Regulations* were referred to as the "Clean Electricity Standard" in the *2030 Emissions Reduction Plan: Clean Air, Strong Economy*.

214 ENVI, *Evidence*, 27 October 2025, 1210 (Hon. Sonya Savage).

215 ENVI, *Evidence*, 6 October 2025, 1105 (Heather Exner-Pirot); ENVI, *Evidence*, 20 October 2025, 1100 (Ross R. McKitrick).

216 ENVI, *Evidence*, 20 October 2025, 1130 (Ross R. McKitrick); ENVI, *Evidence*, 23 October 2025, 1210 (Hon. Danielle Smith); ENVI, *Evidence*, 30 October 2025, 1210 (Margareta Dovgal).

217 David Suzuki Foundation, Brief submitted to ENVI, 30 October 2025, p. 2.

218 E.g. ENVI, *Evidence*, 23 October 2025, 1220 (Merran Smith).

219 ENVI, *Evidence*, 23 October 2025, 1215 (Christopher Bataille).

have really encouraged utilities, provinces and others to consider what the lowest-cost and most effective pathways are to try to reduce emissions in the electricity sector."[220]

In its Climate Competitiveness Strategy, the federal government stated the following in relation to electricity:

> The transition to net-zero by 2050 will require clean, reliable power. The Clean Electricity Regulations will aim to reduce emissions to protect the environment and human health from the threat of climate change. The government will work with provinces and territories to advance these goals and ensure that Canada's grid is clean as electricity demand grows.[221]

In the Canada-Alberta Memorandum of Understanding of 27 November 2025, the government suspended the application of the *Clean Electricity Regulations* (CER) in Alberta pending a new agreement on carbon pricing that includes the electricity sector.

Clean Fuel Regulations

In Budget 2025, the federal government stated the following in relation to clean fuel:

> Targeted updates to the Clean Fuel Regulations will help reduce reliance on imported fuels, strengthen domestic supply chains, and support jobs in agriculture, forestry, and waste sectors.[222]

Merran Smith expressed support for the *Clean Fuel Regulations*, noting that they send an important market signal to biofuel and other clean fuel producers.[223]

Reducing Methane Emissions

Some witnesses and authors of briefs characterized regulations requiring methane abatement from the oil and gas industry as "low-hanging fruit" that is a cost-effective means of emissions reduction.[224] As described by Environmental Defence:

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220 ENVI, *Evidence*, 23 October 2025, 1135 (Rachel Doran).

221 Government of Canada, Budget 2025, Chapter 1, Section 1.3: Canada's Climate Competitiveness Strategy.

222 Ibid.

223 ENVI, *Evidence*, 23 October 2025, 1220 (Merran Smith).

224 Sabrina Payant Smith, Environmental Defence, Brief submitted to ENVI, undated, published 3 November 2025; Ari Pottens, Environmental Defense Fund, Brief submitted to ENVI, 27 October 2025; ENVI, *Evidence*, 2 October 2025, 1220 (Simon Donner).

> [N]ow is the time to rapidly adopt and enforce the already drafted Methane Regulations. This key policy is projected to achieve significant emissions reduction and will help motivate the oil and gas sector to adequately reduce methane leakage emissions. Methane is an extremely potent greenhouse gas, and studies show that methane reductions are relatively simple to achieve at a low cost.[225]

While Margareta Dovgal argued that the methane regulations would imperil liquified natural gas (LNG) export opportunities,[226] the Pembina Institute stated that finalizing the methane regulations could help Canada maintain access to markets of trading partners, such as the European Union, Japan, and South Korea, who are introducing stringent transparency requirements for methane intensity in imported energy.[227] The Pembina Institute also highlighted that British Columbia met its 2025 methane reduction target two years early, at the same time as the province's natural gas production grew by over two-thirds.[228]

Carbon Capture and Storage

Witnesses expressed diverging opinions on carbon capture and storage. Sophia Mathur described carbon capture and storage as costly and "largely inefficient as an emissions reductions tool."[229] She believed that it should not be part of federal policy for emissions reduction.

In contrast, Sonya Savage stated that "without carbon capture, it's not possible to achieve net zero", in sectors such as the oil sands, power generation, hydrogen, cement, fertilizer, petrochemicals and steel. She called for policy that is supportive of Alberta's "25 carbon sequestration hubs."[230]

Ron Wallace saw it as unfair that there is emphasis on decarbonization of western Canadian oil, but not of oil exported from the Canadian Atlantic offshore region or imported from the United States, Saudi Arabia, or Nigeria.[231] He suggested that CCUS was too expensive, noting that international competitors don't face the same costs, and

225 Sabrina Payant Smith, Environmental Defence, Brief submitted to ENVI, undated, published 3 November 2025.

226 ENVI, *Evidence*, 30 October 2025, 1210 (Margareta Dovgal).

227 Jessica McIlroy, Pembina Institute, Brief Submitted to ENVI, undated, published 14 November 2025.

228 Ibid.

229 ENVI, *Evidence*, 30 October 2025, 1210 (Sophia Mathur).

230 ENVI, *Evidence*, 27 October 2025, 1210 (Hon. Sonya Savage).

231 ENVI, *Evidence*, 20 October 2025, 1205 (Ron Wallace).

that while Canadian technology is good, "it is not a question of whether we can decarbonize but whether we should compel Canadian producers, aided by significant tax incentives, to funnel billions into CCS schemes."[232]

CONCLUSION

The committee is concerned that the government has relied too heavily on future projections and ongoing consultations while current emissions trajectories continue to fall short. Ambition on paper cannot substitute for measurable reductions.

The government has not treated emissions reduction with the seriousness it demands. In recent months, it has weakened or reversed several of its own climate policies. While it continues to describe climate change as a threat, its actions do not reflect the urgency such language implies. The evidence before the committee points to a stark and troubling conclusion, which is the government's decisions are not aligned with its stated commitments.

By the government's own projections, Canada is not on track to meet its 2026 interim objective, nor its 2030 target. After years of increasingly ambitious announcements, recent policy changes have made achieving those targets impossible. Progress in certain sectors continues to be offset by rising emissions in others. This is not a credible pathway to net-zero.

The committee heard repeated testimony that key measures within the 2030 Emissions Reduction Plan have been delayed, weakened, paused, or reversed. Long-promised initiatives remain unfinished. This pattern does not demonstrate its commitment to meeting emissions targets. It signals inconsistency and retreat.

Climate change is serious and the evidence of rising damages, record losses, and growing economic risk confirms it. Therefore, recent policy reversals are impossible to square with any real sense of urgency. Governments that treat something as a crisis do not weaken, delay, or walk away from the very policies meant to confront it.

Canada's commitments under the *Paris Agreement* are binding promises, not symbolic goals. They have real consequences. When domestic policy does not match those commitments, the pattern is predictable. Targets are announced, deadlines arrive, and failure is defended.

232 Ibid.

The committee hopes that the insights of experts gleaned through its study can help inform the Government of Canada's future emissions reduction policy. With this in mind, the committee makes the following recommendations:

Recommendation 1

That the Government of Canada, by 1 June 2026, table a revised and fully costed 2030 Emissions Reduction Plan that clearly identifies the specific additional measures required to close the gap between projected emissions reductions and Canada's legislated 2026 and 2030 targets, including quantified emissions impacts for each measure.

Recommendation 2

That the Government of Canada, by 1 June 2026, publicly disclose updated modelling reflecting the cumulative impact of recent policy changes, including the removal of the consumer carbon price, the abandonment of the Electric Vehicle Availability Standard, and the suspension of the proposed oil and gas emissions cap, and clearly indicate how Canada will meet its legislated targets in light of those changes.

Recommendation 3

That the Government of Canada, by 1 June 2026, reaffirm the importance of the *Canadian Net-Zero Emissions Accountability Act* by ensuring that emissions reduction targets are accompanied by binding, enforceable, and durable policies capable of achieving them.

Recommendation 4

That the Government of Canada immediately restore full capacity to the Net-Zero Advisory Body by promptly appointing qualified expert members, providing adequate resources, and establishing a formalized mechanism to demonstrate how the advice of the Advisory Body is considered in federal climate policy decisions.

Recommendation 5

That the Government of Canada, by 1 June 2026, provide Parliament with a gap analysis comparing legislated emissions targets to projected emissions under current policies, including a clear identification of the remaining shortfall and the measures intended to close it, and commit to providing this analysis annually thereafter.

Recommendation 6

That the Government of Canada reiterate its commitment to the *Paris Agreement* and its greenhouse gas emissions reduction targets by ensuring that the necessary measures are put in place to ensure that Canada's 2030 Emissions Reduction Plan achieves its climate target.

Recommendation 7

That the Government of Canada develop an industrial policy on carbon neutrality, starting with a few priority sectors, ensuring that workers affected by the transition away from fossil fuels are supported, and aligning industrial and manufacturing development plans with Canada's greenhouse gas emissions reduction targets.

Recommendation 8

That the Government of Canada finalize and implement the policies already announced or under development in the 2030 Emissions Reduction Plan.

Recommendation 9

That the Government of Canada adopt mandatory standards for energy efficiency, for a 100% renewable energy supply, and for water conservation for all data centres, as well as mandatory disclosures of environmental impacts.

Recommendation 10

That the Government of Canada explore how to mandate or encourage the coexistence of heat-generating data centres with industries, agricultural activities, or residential uses that consume heat.

Recommendation 11

That the Government of Canada ratify the upcoming Global Plastics Treaty and ensure continued funding for actions on plastic waste and pollution, as well as for the creation of jobs related to the circular economy.

Recommendation 12

That the Government of Canada provide information on the costs associated with achieving the *Paris Agreement* target, as well as the co-benefits of implementing climate action measures (e.g., economic restructuring, improved air quality, savings in health

care costs, savings in fuel purchases for households and businesses, costs saved by avoiding extreme weather events, etc.). The criteria for selecting climate measures should not be limited to the lowest costs or the easiest short-term emissions reductions, but should also aim to truly transform the economy in order to put in place the structure necessary for our low-carbon future.

Recommendation 13

That the Government of Canada initiate, develop, or join partnerships of excellence in the fight against climate change with global leaders in energy transition.

Recommendation 14

That the Government of Canada recognize the scientific imperatives and recommendations of the Intergovernmental Panel on Climate Change (IPCC) in setting the country's climate targets.

Recommendation 15

That the Government of Canada incorporate the principle of common but differentiated responsibility for countries into the setting of Canada's greenhouse gas reduction targets.

Recommendation 16

That the Government of Canada place the polluter pays principle at the centre of the 2030 Emissions Reduction Plan.

Recommendation 17

That the Government of Canada place the principle of subsidiarity at the centre of the 2030 Emissions Reduction Plan in order to respect provincial jurisdictions and the role of municipalities.

Recommendation 18

That the life cycle approach be used to reflect greenhouse gases emitted abroad by Canada (e.g., exports of liquified natural gas, oil, etc.).

Recommendation 19

That the Government of Canada use the federal climate investment taxonomy framework to classify and prioritize economic activities that are compatible with climate goals, directing public and private capital toward low-carbon sectors.

Recommendation 20

That the Government of Canada help reduce pollution in coastal communities by tackling carbon pollution from ports and freight shipping. This could include the following measures:

- **Expand shore power to include more terminals, ports, and types of ships that can plug in at dock instead of continuing to burn fossil fuels near communities.**
- **Support shipyards when it comes to installing renewable technologies, such as wind propulsion for ships, and retrofitting ships for more energy-efficient voyages.**
- **Improve supply chain coordination so that ships spend less time idling while waiting for cargo to be delivered to them.**
- **Enact cargo- and fuel-specific safety regulations and incident response regimes to account for changing fuel composition and future fuels, such as methanol.**
- **Use the 20-year global warming potential (GWP 20) for methane-based fuels to accurately assess the life cycle emissions of this fuel.**

Recommendation 21

That the Government of Canada maintain support for schemes similar to carbon pricing at the international level.

Recommendation 22

That the Government of Canada demonstrate concrete leadership in the deployment of heat pumps and take inspiration from the California Heat Pump Partnership and France, which has launched an action plan to produce one million heat pumps by 2027.

Recommendation 23

That the Government of Canada work to ensure provinces implement robust provincial emissions reduction plans to ensure provinces better contribute to Canada's nationally determined contributions.

Recommendation 24

That the Government of Canada work with provinces like Quebec to ensure it further meets its 37.5% target for 2030, ensuring that projects with heavy emissions intensity, like the troisième lien, are managed in the context of decarbonization efforts.

Recommendation 25

That the Government of Canada work with provinces like Alberta to ensure a more robust emissions reduction plan is adopted and that renewables, currently stalled through a provincial moratorium, be more strongly supported and that emissions in industrial sectors be more effectively reduced.

Recommendation 26

That the Government of Canada consider a port decarbonization strategy for major projects, such as the Contrecoeur port, including promoting innovation and supporting the electrification of marine transport as a means of reducing emissions.

Recommendation 27

That the Government of Canada acknowledge the intensity of emissions in oil and gas in certain Canadian provinces and that measures, such as a robust industrial carbon price or alternatively an oil and gas emissions cap, be implemented to address rising emissions in the oil and gas sectors.

Recommendation 28

That the Government of Canada acknowledge that climate deniers of the past are now climate delayers who seek to delay climate policy by sowing disinformation and misinformation, and that the vested interests of corporate stakeholders play an outsized role in certain Canadian think tanks, which receive significant funding from corporate stakeholders who wish to delay climate policy for other gains.

Recommendation 29

That the Government of Canada act quickly to ensure implementation of the measures outlined in its Emissions Reduction Plan, exercising flexibility where needed to minimize negative economic impacts on individuals, households or businesses, while ensuring near-term emissions reductions.

Recommendation 30

That the Government of Canada create clearer connections between its emissions reduction plan and its industrial policy, to accelerate both emission reductions and economic growth.

APPENDIX A:
LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee's webpage for this study.

Organizations and Individuals	Date	Meeting
As an individual	2025/10/02	5
Normand Mousseau, Scientific Director, Trottier Energy Institute, Polytechnique Montréal		
Climate Action Network Canada	2025/10/02	5
Caroline Brouillette, Executive Director		
Net-Zero Advisory Body	2025/10/02	5
Simon Donner, Professor		
Canadian Climate Institute	2025/10/06	6
Dave Sawyer, Principal Economist		
Macdonald-Laurier Institute	2025/10/06	6
Heather Exner-Pirot, Director, Energy, Natural Resources and Environment		
The Transition Accelerator	2025/10/06	6
Moe Kabbara, President		
Canadian Energy Regulator	2025/10/09	7
Darren Christie, Chief Economist		
Sean Maher, Professional Leader, Environment		
Jonathan Timlin, Vice President, System Operations		
Commission on Carbon Competitiveness	2025/10/09	7
Aaron Cosbey, Chair		

Organizations and Individuals	Date	Meeting
Department of Natural Resources	2025/10/09	7
Jeff Labonté, Associate Deputy Minister		
Major Projects Office	2025/10/09	7
Dawn Farrell, Chief Executive Officer		
Sarah Jackson, Director		
Office of the Auditor General	2025/10/09	7
Elsa Da Costa, Director		
Jerry V. DeMarco, Commissioner of the Environment and Sustainable Development		
Kimberley Leach, Principal		
As an individual	2025/10/20	8
Damon Matthews, Professor, Concordia University and Interim Director, Future Earth Canada		
Ross R. McKitrick, Professor		
Ron Wallace, Former Member, National Energy Board		
Efficiency Canada	2025/10/20	8
Brendan Haley, Senior Director of Policy Strategy		
Clean Energy Canada	2025/10/23	9
Rachel Doran, Executive Director		
Government of Alberta	2025/10/23	9
Danielle Smith, Premier of Alberta		
Montreal Economic Institute	2025/10/23	9
Renaud Brossard, Vice-President, Communications		
Gabriel Giguère, Senior Policy Analyst		
Net Zero Industry	2025/10/23	9
Christopher Bataille, Principal Investigator		
New Economy Canada	2025/10/23	9
Merran Smith, President		

Organizations and Individuals	Date	Meeting
As an individual Sonya Savage, Senior Counsel, BLG	2025/10/27	10
Clean Prosperity Etienne Rainville, Vice President, Central Canada	2025/10/27	10
Elbows Up for Climate David Miller, Spokesperson	2025/10/27	10
Keystone Agricultural Producers Colin Hornby, General Manager	2025/10/27	10
National Coalition of Chiefs Dale Swampy, President and Chief Executive Officer	2025/10/27	10
Pembina Institute Janetta McKenzie, Director, Oil and Gas	2025/10/27	10
As an individual Sophia Mathur Catherine Potvin, Emerita professor, McGill University	2025/10/30	11
Assembly of First Nations Wendell LaBobe, Regional Chief, Prince Edward Island Graeme Reed, Strategic Advisor, Environment, Lands and Water	2025/10/30	11
Oceans North Amy Nugent, Associate Director, Marine Climate Action	2025/10/30	11
Oil & Gas Corporation of Newfoundland and Labrador Jim Keating, Chief Executive Officer	2025/10/30	11
Resource Works Society Margareta Dovgal, Managing Director	2025/10/30	11

APPENDIX B:
LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the committee related to this report. For more information, please consult the committee's webpage for this study.

Munroe, Rick

Nickerson, Mike

Rochefort, Guy

Sears, Meg

Strong, Geoffrey

Vakil, Catherine

van der Jagt, Richard

Canadian Sheep Federation

Canadians for Safer Products

Chemistry Industry Association of Canada

David Suzuki Foundation

Ecojustice

Energy For A Secure Future

Environmental Defense Fund

Environmental Defense Fund

Equal Routes

International Institute for Sustainable Development

Ottawa Riverkeeper

Pembina Institute

Stand.earth

World Animal Protection

Climate Action Network Canada

Wallace, Ron

Pembina Institute

Assembly of First Nations

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

A copy of the relevant *Minutes of Proceedings* (Meetings Nos. 5 to 11, 28, 31 and 32) is tabled.

Respectfully submitted,

Shannon Miedema
Chair

Conservative members of the Standing Committee on Environment and Sustainable Development dissent from this report.

This report arrives at a moment when the old Liberal climate story is coming apart. Its contradictions are no longer hidden. Its promises are no longer credible. Its architects are now revising, pausing, suspending, and abandoning major pillars of the very agenda they once insisted was necessary and settled. The government scrapped the carbon tax. It paused and then abandoned the Electric Vehicle Availability Standard. It suspended and then declined to proceed with the oil and gas emissions cap. At the same time, it now seeks to preserve the same direction through a more expensive industrial carbon tax that would apply to many more Canadian companies.

The central weakness of this report is that it documents failure and then recommends more of the same. It acknowledges that Canada is not on track to meet its legislated emissions objectives. It cites the government's own projections showing emissions only 16% below 2005 levels by 2026 and 28% by 2030, far short of both the statutory interim objective and the 40% to 45% target for 2030. It further records that key measures in the emissions reduction plan have already been altered, removed, delayed, or abandoned. Yet instead of asking whether the framework itself is flawed, the majority chooses to double down. That is not realism. It is denial.

Conservatives reject the outdated approach that has shaped this file for too long. We do not need more symbolic targets with no credible plan behind them. We do not need more anti investment regulation that drives away capital, raises costs, and then gets watered down or abandoned when reality catches up. And we do not need an approach that ignores concerns about jobs, energy security, competitiveness, and the cost of living. Canada needs a plan that builds on our strengths and deals honestly with the realities in front of us.

That starts with a simple fact the government has been too hesitant to admit. The world still needs oil and natural gas, and it will for years to come. The question is not whether that energy will be produced. The question is who will produce it. Conservatives believe it is far better for more of that supply to come from Canada, where production occurs under strong environmental rules, than from countries that do not share those standards.

This government needs to stop treating the energy sector like something to apologize for. It is one of our greatest strengths. It puts food on tables, keeps communities alive, attracts investment, and gives Canada real weight in the world. It generates government revenue, supports Indigenous opportunities, and helps our allies in a world that is becoming more unstable. In a more dangerous world, with industrial competition and fragile supply chains, energy policy is not just about emissions. It is also about security, growth, and sovereignty.

Global energy shocks keep exposing how vulnerable Canada still is. We have more than enough resources to fulfill our energy needs, but bad policy and investment uncertainty hold us back, forcing us to import energy from halfway around the world. At a time when Canadians and our allies need reliable energy supply, Canada should be stepping up, not tying our own hands. We should have stepped up during Europe's energy crisis after

Russia's invasion of Ukraine, but we could not. Going forward, we must be prepared not only to secure our own energy independence, but to act as a dependable supplier to allies when they need us most.

The report fails to take seriously enough the economic harm of the government's policies. It admits that the government has not clearly published the full cost of meeting its targets. It heard evidence that the emissions reduction plan may move Canada only part of the way toward its 2030 goal, even as it imposes heavy costs on growth, investment, and competitiveness. It heard repeated warnings that an industrial carbon tax will drive production into other countries, push heavy industry out of Canada, and leave our economy at a disadvantage against competitors that do not face the same costs. It also heard that the previous oil and gas cap chilled investment, weakened LNG competitiveness, damaged offshore momentum, and put jobs at risk. These were not fringe complaints. They were direct warnings about how a country can make itself poorer while still failing to meet the targets used to justify that damage.

The committee's answer, however, is simply more of the same. Recommendation 27 calls for an industrial carbon tax or an oil and gas emissions cap to address emissions in the sector. Recommendation 28 slips into the language of "climate delayers," treating disagreement over cost, practicality, or competitiveness as if it were automatically dishonest. That is not the mark of a confident argument. It is what happens when a government starts losing public support and chooses to demean its critics instead of answering them.

This report also shows that the problem goes beyond bad policy. The Liberals passed the Canadian Net Zero Emissions Accountability Act and seemed to think that once "accountability" was in the title, the hard part was over. It turns out that calling something accountability is much easier than practising it. The Act created targets, timelines, plans, and advisory bodies, but when the government started missing its targets, dropping major policies, and ignoring its own advice, it carried on as though none of that mattered. There were no consequences because there was never much accountability to begin with.

What made this especially grating was the moral grandstanding that came with it. The government did not just defend its policies. It wore its self-righteousness like a badge of honour, labelling anyone who refused to fall in line as though something must be wrong with them. Canadians were told that every sacrifice was noble, and every target was beyond question. That all looks thin now. When a government cannot meet its own goals and cannot even take its own advisory board seriously, its smug certainty starts to look less like conviction and more like an act.

That is what makes the situation with the Net Zero Advisory Body so absurd. This was supposed to be the independent body at the centre of the government's emissions reduction framework. It was established under the Act to provide advice on how to meet the government's targets. The government committed $15.4 million over 3 years to create and support it. But now even this report must admit that the body has seen resignations, including co chairs, after major decisions were taken without consultation and after advice

was neither sought nor seriously considered. Current members described the body as operating in a “skeleton state,” with too few appointments, too little direction, and not enough support to do its job properly. The report even recommends that the government restore the body’s full capacity and create a formal mechanism to show how its advice is considered. After years of rhetoric about evidence-based policy, the government now has to be told to listen to the body it created in the first place.

That is why this whole exercise was such an expensive illusion. Millions of dollars were spent to produce targets without a plan and advice without influence. The Act was sold as proof that the government was going to hold itself to a higher standard. But if the government cannot hit its targets and still acts as though whatever it does remains beyond question, then what exactly is being held to account? Increasingly, the answer is nobody.

Conservatives believe Canada needs a new approach.

Good policy is not supposed to make life harder. It should make it easier to afford the basics, easier to invest, and easier for the country to stand on its own two feet. If a plan drives up costs, scares off investment, and leaves Canada weaker, then all the fancy language in the world cannot save it.

It must begin with a simple truth. Canada is not the problem. We already produce energy under some of the highest environmental standards in the world. Our workers are skilled. Our regulators do their jobs. Our courts function. Our Indigenous partnerships matter. None of that is accidental. It reflects a country that knows how to develop its resources responsibly and lawfully. While there are still massive delays that hold back projects, and while improvements can and should be made, our country does not treat impact assessment as a box checking exercise.

If the world still needs oil and gas, and it plainly does, then the choice is not between Canadian production and no production at all. The real choice is whether that energy comes from a country like Canada or from regimes with weaker environmental standards, less accountability, and far less respect for workers, communities, and the environment. Pretending otherwise may feel virtuous, but it is not serious.

Canada should not be expected to tie one hand behind its back while the same demand is met by countries that do not play by our rules or live up to our standards. We should not be punished for doing things the right way. We should not be told that our workers, our laws, and our standards are the problem while Canada still imports crude from countries such as Saudi Arabia and Nigeria, and has imported crude from Iraq, Algeria, Angola, Kazakhstan, and Azerbaijan in past years.

It is not admirable to kneecap your own economy so someone else can cash in. It is not principled to turn away jobs, investment, and opportunity here at home, only to let the same demand be met elsewhere by producers with weaker standards and fewer scruples. Liberal MPs show no urgency about stopping those barrels from coming into Canada.

A confident country does not apologize for producing what the world still needs. A confident country insists that if those needs are going to be met, they should be met by the best producers under the best rules. Canada can be that country. Canada should be that country.

Canada should build more of what the world still needs, and build it here at home, under Canadian standards, with Canadian workers, and Canadian oversight. That is how we create wealth. That is how we strengthen our communities. That is how we pay for public services, reinforce our sovereignty, and give ourselves the ability to weather a more uncertain world. The point is not simply to produce more energy. The point is to produce it in the right place, under the right rules, and for the right reasons.

It must also restore respect for building. Canada has drifted too far into a politics of targets without projects, aspiration without the process to it, and announcement without execution. Conservatives believe Canada should be a country that builds pipelines, LNG facilities, CCUS infrastructure, power generation, ports, transmission, and nation building projects of every kind. We should be a country that sees producing things, moving things, and exporting strength as marks of seriousness, not sins to be explained away.

That is the core of the Conservative vision. It is not defensive. It is not nostalgic. It is not an argument for doing nothing. It is an argument for national ambition grounded in reality. It connects energy, environment, prosperity, security, and sovereignty. It treats responsible development as a moral good because it sustains families, strengthens allies, and ensures Canada remains capable of shaping its own future.

The Liberal approach is worn out. It is increasingly obvious they are not up to the job. It is backpedalling in the face of realities it can no longer explain away. This report is an effort to prop up a plan that is failing and being quietly abandoned by the people who built it.

Conservatives propose something better. The right answer is not to make Canada smaller so others can grow larger in our place. The right answer is not to weaken our own economy while congratulating ourselves on our intentions. That is not a betrayal of environmental responsibility. That is what environmental responsibility looks like in the real world. It means facing facts. It means choosing higher standards over lower ones. It means understanding that the goal is not less Canadian production for its own sake. The goal is better production, cleaner production, and more accountable production in the places best equipped to deliver it.

And this is not only an economic argument. It is a national one. A country that cannot build will not remain strong. A country that drives away investment will not remain prosperous. A country that learns to distrust its own advantages will not remain confident for very long.

Canada should stop apologizing for the strengths the world still needs. Canada should use those strengths responsibly and strategically. Canada should build again. Canada should turn Canadian energy into Canadian influence.

MP Patrick Bonin **23-04-2025**

COMPLEMENTARY REPORT BY THE BLOC QUÉBÉCOIS

ON THE REPORT OF THE STUDY ON THE EMISSIONS REDUCTION PLAN OF CANADA FOR 2030 IN THE 44TH LEGISLATURE

The Bloc Québécois wishes to enhance the recommendations in the current report with the following recommendations:

Recommendation 31

That Canada's 2030 Emissions Reduction Plan be improved with the following measures:

- An annual update of the ERP and its projected effectiveness in meeting targets
- The inclusion of a non-regression principle to prevent climate setbacks that would move Canada away from its climate goals
- The inclusion of a carbon budget system.
- The inclusion of new policies for climate-aligned finance.
- The inclusion of measures to counter greenwashing.
- Financial support for provinces to implement climate change education and awareness strategies.
- An end to all fossil fuel subsidies and public funding for the oil and gas sector, including for organizations such as Canada Economic Development and the Canada Pension Plan
- The inclusion of policies that redistribute the costs of the energy transition to the biggest polluters.
- The establishment of funding to help provinces combat energy poverty
- Inclusion of a roadmap for Canada's phased-out of fossil fuels, ensuring a just transition for workers.
- Strengthening of the carbon pricing system, in particular by tightening performance standards.
- Inclusion of new measures to promote energy transition, energy efficiency and energy sobriety in the sector.

Recommendation 32

That the Government of Canada expand the mandate and resources of the Advisory Group on Carbon Neutrality to oversee Canada's climate goals and accountability, and publish annual reports on the progress of Canada's 2030 Emissions Reduction Plan to update its role in a manner that is similar to the UK's Climate Change Committee.

Recommendation 33

hat the Government of Canada modernize the Energy Efficiency Act and its regulatory framework to require that all new air conditioners be heat pumps and to remove costly and polluting gas and oil heating appliances from the Canadian market in order to phase out the sale of new or replacement fossil fuel heating and cooling appliances in order to close the remaining gap to the 2030 target.

That Canada join the Beyond Oil and Gas Alliance (BOGA) and plan a genuine transition to reduce hydrocarbon consumption and production.

That it ban all new oil and gas development, as Quebec has done.

Recommendation 34

That the federal government proactively manage negative interactions between certain federal climate policies and carbon pricing systems in the industrial sector in order to achieve additional emissions reductions from the oil and gas, electricity, and heavy industry sectors.

Recommendation 35

That the Government of Canada include in Canada's 2030 Emissions Reduction Plan a tax on the excessive profits of oil and gas companies, with the revenue directly reinvested in climate change adaptation to offset the damage these companies are responsible for.

Recommendation 36

That the Government of Canada end all fossil fuel subsidies and public funding for the oil and gas sector, and reject carbon capture and fossil hydrogen as climate solutions.

Recommendation 37

That the Government of Canada implement the recommendations of the Environment Committee contained in its report titled “Report 2 – Impacts of the Canadian Financial System on the Environment and Climate Change,” which are as follows:

Recommendation 1

That Canada's financial system be reformed to align with climate commitments, as set out in Bill S-243, the Climate-Aligned Finance Act (44th Parliament, 1st Session), which would itself provide a robust, science-based regulatory framework for conducting transition plans and annual progress reports and address greenwashing concerns around climate action.

Recommendation 2

That the Office of the Superintendent of Financial Institutions reconsider the interpretation of its mandate, as suggested by the Commissioner of the Environment and Sustainable Development, and issue detailed guidance on transition plans.

Recommendation 3

That managers of federally regulated public pension funds, in particular the Canada Pension Plan Investment Board and the Public Sector Pension Investment Board, be required to fully disclose their investments in private equity funds.

Recommendation 4

That a Sustainable Development Working Group be established within the Competition Bureau and that the rules be strengthened to combat greenwashing in the financial sector and to crack down on greenwashing.

Recommendation 5

That the Government of Canada exclude fossil fuels from the development of Canadian sustainable investment guidelines as prescribed in the 2025 Budget.

Recommendation 38

That the Government of Canada develop an action plan for Climate and Economic Justice aimed at reducing poverty and economic and social inequalities through climate change measures that redistribute wealth and adaptation measures that redistribute the costs of damage to the polluters responsible.

That this action plan advance measures to make housing more affordable and reduce energy and transportation costs through electrification, efficiency, and continued investment in clean mobility.

Recommendation 39

That the government act quickly to fill the gap created by the repeal of carbon pricing for consumption and the weakening of the standard on the availability of electric vehicles.

Recommendation 40

That the government ban the installation of new gas boilers, as stipulated by the International Energy Agency.

Recommendation 41

That the government require plans for the gradual dismantling of the country's gas network, drawing in particular on the approach taken by California and the European Union.