



SENATE
SÉNAT
CANADA

The subject matter of those elements contained in Divisions 32, 40, 41 and 42 of Part 5 of Bill C-15, An Act to implement certain provisions of the budget tabled in Parliament on November 4, 2025

Report of the Standing Senate Committee on Energy, the Environment and Natural Resources

The Honourable Joan Kingston, *Chair*
The Honourable Josée Verner, P.C., *Deputy Chair*

JANUARY 2026



For more information, please contact us by:

Email: ENEV@sen.parl.gc.ca

Phone: 1-800-267-7362

Mail: The Standing Senate Committee on Energy, the Environment and Natural Resources
Senate of Canada, Ottawa, Ontario, Canada, K1A 0A4

This report can be downloaded at: sencanada.ca

The Senate is on X: @SenateCA

Follow the committee using the hashtag #ENEV

Ce rapport est également offert en français.

Table of Contents

The Committee Membership.....	5
Order of Reference	7
Report of the Committee.....	9
Division 32 of Part 5.....	9
Division 40 of Part 5.....	9
Division 41 of Part 5.....	10
Division 42 of Part 5.....	11
Appendix A – Witnesses	14

The Committee Membership



The Honourable
Joan Kingston
Chair



The Honourable
Josée Verner
Deputy Chair

The Honourable Senators



David M. Arnot



Réjean Aucoin



Mary Coyle



Daryl S. Fridhandler



Rosa Galvez



Todd Lewis



Mary Jane McCallum



Julie Miville-
Dechêne



David M. Wells



Suze Youance

Ex officio members of the committee:

The Honourable Pierre Moreau, P.C., or the Honourable Patti LaBoucane-Benson

The Honourable Leo Housakos or the Honourable Yonah Martin

The Honourable Raymonde Saint-Germain or the Honourable Bernadette Clement
(until Dec. 31, 2025)

The Honourable Lucie Moncion or the Honourable Joan Kingston (as of Jan. 1, 2026)

The Honourable Scott Tannas or the Honourable Rebecca Patterson (until Jan. 4,
2026)

The Honourable Flordeliz (Gigi) Osler or the Honourable Robert Black (as of Jan. 5,
2026)

The Honourable Francis Brian and the Honourable Judy A. White

Research and Education, Library of Parliament:

Jesse Good, Analyst

Avalon Jennings, Analyst

Senate Committees Directorate:

Catherine Cuerrier, Committee Clerk

Lor Spooner, Administrative Assistant

Order of Reference

Extract from the *Journals of the Senate* of Wednesday, November 26, 2025:

The Honourable Senator LaBoucane-Benson moved, seconded by the Honourable Senator Petten:

That, notwithstanding any provision of the Rules, previous order or usual practice:

1. in accordance with rule 10-11(1), the Standing Senate Committee on National Finance be authorized to examine the subject matter of all of Bill C-15, An Act to implement certain provisions of the budget tabled in Parliament on November 4, 2025, introduced in the House of Commons on November 18, 2025, in advance of the said bill coming before the Senate;

2. in addition, the following committees be separately authorized to examine the subject matter of the following elements contained in Bill C-15:

(a) the Standing Senate Committee on Agriculture and Forestry: those elements contained in Division 8 of Part 5;

(b) the Standing Senate Committee on Banking, Commerce and the Economy: those elements contained in Divisions 4, 9, 10, 11, 12, 13, 14, 15, 16, 17, 22, 23, 37, 39, 43 and 45 of Part 5;

(c) the Standing Senate Committee on Energy, the Environment and Natural Resources: those elements contained in Divisions 32, 40, 41 and 42 of Part 5;

(d) the Standing Senate Committee on Fisheries and Oceans: those elements contained in Division 33 of Part 5;

(e) the Standing Senate Committee on Foreign Affairs and International Trade: those elements contained in Divisions 18 and 27 of Part 5;

(f) the Standing Senate Committee on Indigenous Peoples: Part 4 and those elements contained in Division 35 of Part 5;

(g) the Standing Senate Committee on Legal and Constitutional Affairs: those elements contained in Divisions 30 and 31 of Part 5;

(h) the Standing Senate Committee on National Security, Defence and Veterans Affairs: those elements contained in Divisions 19, 20 and 21 of Part 5;

(i) the Standing Senate Committee on Social Affairs, Science and Technology: those elements contained in Divisions 25, 36 and 44 of Part 5; and

(j) the Standing Senate Committee on Transport and Communications: those elements contained in Divisions 1, 2, 24, 28 and 29 of Part 5;

3. each of the committees listed in point 2 that are authorized to examine the subject matter of particular elements of Bill C-15:

(a) submit its final report to the Senate no later than February 13, 2026; and

(b) be authorized to deposit its report with the Clerk of the Senate if the Senate is not then sitting;

4. as the reports from the various committees authorized to examine the subject matter of particular elements of Bill C-15 are tabled in the Senate, they be placed on the Orders of the Day for consideration at the next sitting, provided that if a report is deposited with the Clerk, it be placed on the Orders of the Day for consideration at the next sitting following the one on which the depositing is recorded in the Journals of the Senate;

5. the Standing Senate Committee on National Finance be authorized to take any reports tabled under point 3 into consideration during its study of the subject matter of all of Bill C-15; and

6. the Standing Senate Committee on National Finance be authorized to deposit its report with the Clerk if the Senate is not then sitting.

The question being put on the motion, it was adopted.

Clerk of the Senate

Shaila Anwar

Report of the Committee

The Standing Senate Committee on Energy, the Environment and Natural Resources (the committee) has the honour to table its Second Report.

Your committee, which was authorized to examine the subject matter of those elements contained in Divisions 32, 40, 41 and 42 of Part 5 of Bill C-15, An Act to implement certain provisions of the budget tabled in Parliament on November 4, 2025, has, in obedience to the order of reference of Wednesday, November 26, 2025, examined the said subject matter over four meetings, hearing from 12 witnesses and receiving seven submitted briefs and now reports as follows:

Division 32 of Part 5

Division 32 of Part 5 amends the *Canadian Environmental Protection Act, 1999* (CEPA) to enshrine the Environmental Protection Tribunal of Canada (the Tribunal) in law. It also amends the *Administrative Tribunal Support Service of Canada Act* to enable the Administrative Tribunal Support Service of Canada (ATSSC) to provide the Tribunal with support services and facilities.

The committee heard from federal officials that Division 32 of Part 5 is an administrative change. The Tribunal already exists and already receives support from the ATSSC. However, the formal inclusion of the name of the Tribunal in CEPA will allow for a permanent transfer of funds for these support services. This is in line with the relationship the ATSSC has with several other tribunals it supports. Witnesses indicated that the amendment does not require new funding.

Given that the amendment is administrative in nature and formalizes and streamlines a pre-existing relationship, the committee has no observations to make on Division 32 of Part 5.

Division 40 of Part 5

Division 40 of Part 5 amends the *Building Canada Act* (the Act), which came into force on 26 June 2025 and allows the government to expedite projects deemed in the national interest.

In a brief submitted to the committee, the Privy Council Office's Major Projects Office explained that section 5(6) of the Act outlines five factors, listed from (a) to (e) that must be considered when deeming a project in the national interest. Further down, section 5.1 of the Act requires a public registry of national interest projects to be maintained, which must include the factors outlined in section 5(6). However, this reference currently only includes factors (a) to (d), and omits the fifth factor (e) "contribute to clean growth and to meeting Canada's objectives with respect to

climate change.”¹ The Major Projects Office has indicated that Division 40 of Part 5 amends section 5.1 of the Act to ensure that information on all five factors is available on the public registry.

Given that the amendment implements a commitment made by the government during third reading of [Bill C-5, An Act to enact the Free Trade and Labour Mobility in Canada Act and the Building Canada Act](#) in the Senate, the committee has no observations to make on Division 40 of Part 5.

Division 41 of Part 5

Division 41 of Part 5 amends the *Canadian Energy Regulator Act* (CERA) to define LNG as a distinct category under CERA apart from natural gas and extends the maximum valid period of an LNG export licence issued by the Canada Energy Regulator (CER) from 40 years to 50 years.

Observation 1

The committee heard from federal officials that the amendments will help to improve the competitiveness of the sector, expand energy production and increase economic benefits by providing greater certainty to LNG export licence holders. Federal officials explained that “it was industry that had asked us to consider and bring forward this measure.”² A brief submitted to the committee by LNG Canada agreed that a longer LNG export licence increases the attractiveness of Canada for LNG investment and reduces the long-term risk of stranded assets.³

The committee asked how Canada’s LNG export licences compare to other countries. A follow-up brief by Natural Resources Canada suggests that Canada’s LNG export licence regime is different than other countries, perhaps providing greater upfront certainty for licence holders, and that Canada’s licences are already valid longest.⁴

¹ Privy Council Office, “[Response to the Standing Senate Committee on Energy, the Environment and Natural Resources \(ENEV\) Request for a written submission on Division 40 \(Building Canada Act\) of Bill C-15, An Act to implement certain provisions of the budget](#),” Brief submitted to Standing Senate Committee on Energy, the Environment and Natural Resources (ENEV), 18 December 2025.

² ENEV, [Evidence](#) (Erin O’Brien, Assistant Deputy Minister, Natural Resources Canada), 11 December 2025.

³ Chris Cooper, President and Chief Executive Officer, LNG Canada Development Inc., “[RE: Division 41, Part 5 of Bill C-15, An Act to implement certain provisions of the budget tabled in Parliament on November 4, 2025](#),” Brief submitted to ENEV, 7 January 2026.

⁴ Natural Resources Canada, “[Departmental Response to Information Requested by Committee](#),” Brief submitted to ENEV, 29 December 2025.

Observation 2

The committee heard from federal officials that LNG export licences are subject to the “surplus” test under CERA. The surplus test makes LNG export licences contingent on the quantity of natural gas to be exported not exceeding the foreseeable needs of Canadians.

The committee asked if any legal mechanisms exist to review an LNG export licence during its term—such as for compliance with federal regulations, for example—but with respect to CERA and the amendments being considered, we heard that only the surplus test exists. We heard that the CER regularly monitors market conditions, but it is improbable that market changes would lead to the CER revoking an LNG export licence. We heard that if an LNG licence extension changes the nature of the licence holder’s environmental assessment decision, the “proponent is going to have to go back and ensure that the environmental assessment is re-evaluated and then respects the terms of the licence extension.”⁵ We observe that extending LNG export licences, and therefore operations to 50 years, could impact communities and future generations and observe that there is no review mechanism included to ensure that community concerns are addressed during the licence period.

Observation 3

In a brief submitted to the committee, several potential trade offs associated with extending LNG export licences were highlighted to help parliamentarians weigh the long-term economic, environmental and social benefits and costs of licence extensions.⁶

The committee observes that these amendments might make it more difficult to achieve Canada’s 2050 target of net-zero greenhouse gas emissions. We also observe that LNG facilities and their associated infrastructure can create significant economic, social and environmental impacts.

Finally, we note that pursuing LNG may entail opportunity costs affecting economic development in other sectors such as critical minerals and low-carbon electricity and fuels and this deserves further study.

Division 42 of Part 5

Division 42 of Part 5 amends the *Canadian Environmental Protection Act, 1999* (CEPA) to eliminate the five-year automatic expiry of administrative agreements and

⁵ ENEV, [Evidence](#) (Erin O’Brien, Assistant Deputy Minister, Natural Resources Canada), 11 December 2025.

⁶ Rachel Samson, Vice-President, Institute for Research on Public Policy, “[Remarks prepared for delivery](#),” Brief submitted to ENEV, 11 December 2025.

equivalency agreements established between the federal and provincial, territorial or Indigenous governments under CEPA. With this amendment, such agreements will stand in perpetuity unless they are terminated by either party. Specifically for equivalency agreements, CEPA is amended so that different governments' rules may be deemed "equivalent in effect," rather than requiring equivalent provisions.

Observation 4

We heard from federal officials that the amendments provide greater flexibility to enter longer or shorter agreements, reduce administrative burden and support stable intergovernmental arrangements.⁷

The committee regrets that the Minister of Environment and Climate Change did not appear to explain the origins and purpose of the Government of Canada's proposed amendments in Division 42.

Observation 5

The committee heard from witnesses that removing the five-year automatic expiry provisions under CEPA could reduce the Government of Canada's oversight and ability to suspend or terminate agreements based on risks of harm to human health, safety or the environment. In a brief submitted to the committee, the five-year automatic expiry provisions were said to strengthen environmental performance—for example, time limits were said to facilitate integrating rapidly evolving scientific evidence into agreements when they are renegotiated.⁸

We also heard that in the context of Canada's emissions-reduction targets, equivalency agreements established on the basis that they are equivalent in effect could create "a significant risk of the de facto application of different standards in different provinces, undermining the goal of nationally consistent standards across the country[...]."⁹

The committee observes that maintaining federal oversight and accountability for national environmental goals is important, and so is avoiding superfluous, overlapping regulations. Often, your committee has heard that Canada's environmental regulations are among the best in the world, which is a strength for Canada. We observe that these amendments take place in the context of the *Building Canada Act*, a new framework for advancing infrastructure that is deemed to be of national importance. Finally, we observe that equivalency agreements

⁷ ENEV, [Evidence](#) (Stephanie Lane, Executive Director, Environment and Climate Change Canada), 4 December 2025.

⁸ Amanda Bryant, Senior Analyst, Pembina Institute "[Five-year limits are crucial to the efficacy of equivalency agreements](#)," Brief submitted to ENEV, 11 December 2025

⁹ Mark S. Winfield, "[Responses to Request for Additional Information](#)," Brief submitted to ENEV, 12 December 2025.

should ideally lead to improved environmental performance across Canada but it is uncertain if these amendments could ultimately result in potentially weaker environmental standards between jurisdictions.

Appendix A – Witnesses

Tuesday, December 2, 2025

Nick Covelli, Deputy Chief Administrator (Administrative Tribunals Support Service of Canada)

Stephanie Lane, Executive Director, Legislative Governance (Environment and Climate Change Canada)

Jenna MacDonald, General Counsel, Constitutional, Administrative and International Law Section (Department of Justice Canada)

Thursday, December 4, 2025

Stephanie Lane, Executive Director, Legislative Governance (Environment and Climate Change Canada)

Tuesday, December 9, 2025

Mark S. Winfield, Professor, Faculty of Environmental and Urban Change, York University (As an Individual)

Thursday, December 11, 2025

Darren Christie, Chief Economist (Canada Energy Regulator)

Peter Feldberg, Vice-President, Regulatory Affairs (Major Projects Office)

Veronique Houle, Director, Projects Division, Policy and Planning Branch, Fuels Sector (Natural Resources Canada)

Sarah Jackson, Director, Regulatory Coordination (Major Projects Office)

Mike Johnson, Technical Leader, Hydrocarbon Resource (Canada Energy Regulator)

Laura Minet, Assistant Professor, Civil Engineering, University of Victoria (As an Individual)

Erin O'Brien, Assistant Deputy Minister, Fuels Sector (Natural Resources Canada)



sencanada.ca

