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# Standing Committee on Environment and Sustainable Development

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Chair: Mr. Francis Scarpaleggia





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• (1530)

[*Translation*]

**The Chair (Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.)):** Good afternoon, everyone. I call this meeting to order.

First of all, I'd like to welcome certain members who are not permanent members of this committee. We have Mr. Kurek, who is replacing Mr. Leslie. We also have Ms. Stubbs, Ms. Goodridge, Mr. Morrice and Mr. Weiler. It's déjà vu all over again with Mr. Weiler and Mr. Kurek because they are former committee members.

I would also like to welcome the witnesses, all of whom are appearing by video conference. I want to assure Ms. Pauzé that the sound tests have been successfully completed.

First of all, we have Rich Kruger, who is chief executive officer of Suncor Energy. We also have a familiar face, Brad Corson, who is president and chief executive officer of Imperial Oil Limited. Then we have Jon McKenzie, president and CEO of Cenovus Energy, and Susannah Pierce, who is president for Canada and CEO of Shell Canada. Lastly, we have Michele Harradence, who is executive vice president and president of gas distribution and storage at Enbridge.

Each witness will have five minutes for opening remarks, and then we'll go to three rounds of questions and answers.

Mr. Kruger, we will begin with you. The floor is yours for five minutes.

[*English*]

**Mr. Rich Kruger (Chief Executive Officer, Suncor Energy Inc.):** Before I begin, on behalf of those of us in Calgary today, I'd like to acknowledge the ancestral territory of the people of the Treaty 7 region and also the home of Métis Nation of Alberta Region 3. While this short statement is quick and easy to make, it will take the dedicated work of all of us to make reconciliation a reality.

As an oil and gas executive with 40 years of experience, I could praise the transformational virtues of hydrocarbons over the past century, convey the world's dependence on oil and gas for decades to come, recite economic contributions to Canada's prosperity and, yes, discuss the concerning effects of climate change and greenhouse gas emissions. I can speak to these topics with knowledge and conviction; however, today I plan to dispel a series of myths and paint a picture of opportunity.

Myth number one is that oil and gas prosperity comes at the expense of the planet. I believe this is false.

Profits and the planet are not mutually exclusive; they're mutually dependent. The energy transition will take expertise, technology and funding: expertise in project planning and execution, which exists in the oil and gas sector; technology, which has been a hallmark of our industry since the early days of Spindletop or in Canada's case, Leduc; and funding from a financially strong industry, coupled with government support.

Myth number two is that Canadian energy companies are doing little on their own; rather, they are resisting the energy transition and decarbonization. I believe this is also false.

Canadian companies are among the world's most committed and proactive in reducing greenhouse gas emissions. We're literally putting our money where our mouth is. The companies here today, including Suncor, are spending hundreds of millions of dollars funding fuel switching and low-carbon power generation projects. They're making investments in energy efficiency, building and operating renewable fuels plants, and piloting technologies to lower emissions from in situ extraction. They are collaborating to advance a globally unprecedented carbon capture and sequestration opportunity, which is the oil sands' Pathways Alliance.

Myth number three is that Canada can demonstrate global leadership by restricting its oil and gas sector for the benefit of the planet. This is, perhaps, the most concerning falsehood.

The world will not consume one less barrel of oil simply because Canada chooses not to provide it. That barrel will come from somewhere else—in most cases, somewhere with less commitment to responsible development, democratic ideals, social accountability and climate action. How do I know? I've worked in many of the countries that hold the lion's share of the world's remaining reserves.

Now, here is the opportunity.

Canada is blessed with an abundance of oil and gas. It's number four globally in oil reserves. It's an amount that Canadians couldn't consume in more than 100 years. Hence, it has the opportunity to provide abundant, affordable and responsibly produced energy with lower emissions to people around the world, including allies that are increasingly concerned about energy security, and also to millions of others who require energy to achieve a quality of life that we take for granted. We can improve people's lives, increase Canada's prosperity and help tackle climate change. It's a winning proposition.

However, industry cannot unconditionally and unilaterally decarbonize Canada's oil and gas sector if, as a result, no one wants to invest in us or invest in Canada. It will take collaboration to create a stronger, safer, healthier and more prosperous world, with Canada as a leader in it. For industry, that's developing technology and investing in projects. For government, that's developing sound public policy and the enabling regulatory framework. Sadly, neither the requisite policies nor regulatory framework exist today in Canada.

Throughout history, Canada has punched above its weight around the world. Whether it was 80 years ago today on D-Day, with the landing at Normandy on Juno Beach, or sitting at the table shaping today's international climate accords, Canada has always been on the right side of history and has yet another opportunity to be there today.

Canadians expect more from their political and business leaders than pointing fingers and clinging to ideology. They expect their leaders to roll up their sleeves and work together to address issues, tackle challenges and capture opportunities. These are issues and opportunities that will determine their grandchildren's long-term health and prosperity.

• (1535)

If that is what this committee wants to do, I'm all in, and Suncor is all in.

Thank you, Mr. Chair.

**The Chair:** Thank you very much. You're right on time.

Mr. Corson, you have five minutes.

**Mr. Brad Corson (Chairman, President and Chief Executive Officer, Imperial Oil Limited):** Good afternoon, Mr. Chair and members of the committee.

Every day that Imperial carries out business across the country, including in this meeting, we do so on the traditional territories of first nations, Métis and Inuit, who have lived on and cared for these lands for centuries. I, along with Imperial, come here today fully committed to our reconciliation journey.

Imperial produces oil and gas, and manufactures petroleum products that are essential to Canada's energy security needs and vital to improving the standard of living for all Canadians, while significantly benefiting the Canadian economy in the form of job creation and supporting federal and provincial treasuries with substantial tax and royalty revenues.

Recent years have highlighted the importance of both doing our part to provide energy supply security and taking action to reduce

emissions in support of a net-zero future, while growing value for our shareholders and other stakeholders. Imperial has worked diligently on emissions reduction road maps and business plans to lower greenhouse gas intensity in our operations and provide lower life-cycle emissions product solutions to our customers. Our decarbonization strategy includes lowering intensity and absolute emissions at our upstream and downstream assets, lowering the emissions intensity of products for our customers, and launching a low-carbon solutions business to help others decarbonize in hard-to-abate sectors.

I'm pleased to share that Imperial has implemented a company-wide goal to achieve net-zero scope 1 and scope 2 emissions from operated assets by 2050 through technology advancements and collaboration with government and industry partners. Building on our previous success in reducing greenhouse gas intensity in operated oil sands facilities by more than 20% between 2013 and 2016, Imperial aims to further reduce the greenhouse gas intensity of these assets by 30%, compared with 2016 levels, by the end of 2030. I'm pleased to note that we've already achieved approximately a 10% reduction in year-end greenhouse gas emissions intensity, compared with 2016.

The company is making significant progress and plans to achieve this reduction through many initiatives, including energy efficiency improvements, next-generation solvent technologies at our Cold Lake operation, using renewable diesel in our mining fleet at Kearl, and carbon capture and storage as part of our collaboration with the Pathways Alliance. Last month, we started production at our Grand Rapids project at Cold Lake using technology expected to reduce greenhouse gas emissions intensity by up to 40% compared with traditional methods. We are also piloting other technologies that could reduce greenhouse gas emissions intensity by up to 90% over traditional recovery methods.

Right now, we are building Canada's largest renewable diesel project at our Strathcona refinery in Edmonton, which, starting next year, will produce more than one billion litres of renewable diesel annually from locally sourced agricultural feedstocks. This renewable diesel will help reduce emissions for our customers by about three million metric tonnes per year. We are investing \$720 million in this facility, which has created 600 construction jobs and could be foundational for creating a low-carbon hydrogen value chain in Alberta.

Imperial is exploring the potential for lithium from brine extraction, with an eye to creating a domestic supply chain of a key critical mineral for use in EV batteries. We have also tested bio-based co-processing at our refineries to deliver carbon-intensity reductions in our finished products. For greater detail on these initiatives, Imperial has shared the latest “Advancing Climate Solutions” report with the committee.

• (1540)

Over Imperial's 140-plus-year history, some business fundamentals have not changed. The investments we make are long term, and we operate in a global market that is subject to the cyclical nature of commodity prices. This cycle results in good years, including 2022, which was our most profitable. But that followed 2020, which was our least profitable, when Imperial reported a net loss of over \$1.8 billion. Through it all, though, Imperial has steadfastly—

**The Chair:** I'm sorry, Mr. Corson. I have to stop you there. We're over five minutes. There will be ample opportunity to advance your points in response to questions.

We'll go now to Mr. McKenzie of Cenovus.

**Mr. Jon McKenzie (President and Chief Executive Officer, Cenovus Energy Inc.):** Thank you, Mr. Chair.

We appreciate the opportunity to speak with you today about the work our industry is doing to help Canada meet its climate goals while ensuring that Canadians continue to enjoy a strong economy, long-term access to affordable energy and, in this increasingly unstable geopolitical environment, energy security.

Cenovus is one of Canada's largest energy producers, providing well-paying jobs to about 8,500 staff. Cenovus has been clear: We share the world's concerns about climate change. Oil and gas production contributes more than a quarter of Canada's total GHG emissions, and our industry needs to be a big part of the solution. That's why we're a proud member of the Pathways Alliance.

With expected coinvestment from governments, we and our Pathways partner companies have proposed to invest over \$24 billion in emission reduction projects by the end of this decade. That's primarily for a shared carbon capture and storage network, as well as individual company projects that would feed into it.

We see an important role for our industry in helping secure a sustainable future for Canadians as the world transitions to a lower-carbon economy. That means reducing emissions. It also means keeping our industry strong and globally competitive for decades so that we can continue to make outsized contributions to Canada's prosperity. As you know, ours is a highly cyclical industry. Our fortunes rise and fall with the prices of natural gas and oil.

In 2022, for example, oil and gas companies reported a net income of just over \$63 billion. In that same year, though, our industry paid about \$50 billion in royalties and taxes. Compare that with 2020, when oil prices turned negative. Our industry reported net losses of over \$45 billion. There were no income taxes paid by our sector that year and less than \$5 billion in royalties.

Finally, look at the results from trough to peak. Over those three years, in aggregate, our industry reported total net income of about \$53 billion. We paid one and a half times that much in royal-

ties and taxes, almost \$80 billion. That money helps pay for jobs, hospitals, education, social programs and other things that contribute to Canada's high standard of living.

A strong oil and gas sector is good for Canadians. We create hundreds of thousands of direct and indirect jobs and reinvest billions of dollars into Canada's economy, making our industry one of the largest investors in the country. Without oil and gas exports, the Canadian dollar would be weaker, increasing the cost of everything Canadians buy. Our industry also makes significant contributions to indigenous communities and is one of the largest employers of indigenous Canadians. Our energy sector is a strategic advantage for Canada in an increasingly unstable world.

Today, as the world's energy mix diversifies, every credible study shows that we will continue to need all forms of energy, including oil, to help meet the world's growing energy demand. That oil will be produced somewhere, and it should be produced in Canada, where we have some of the world's strongest regulations and industry-leading ESG performance.

Reducing carbon emissions is critical. Over the last three years, we and our industry partners have progressed multiple feasibility studies, engineering designs and environment plans and have started filing regulatory applications. We've also been advancing work on other technologies. However, before we can put shovels in the ground, we need many government permits and approvals, and we need regulatory certainty and coinvestment commitments.

In short, a strong oil and gas industry gives Canada access to secure supplies of energy on an affordable basis, supports our dollar and helps drive our economy. Today Canada faces a productivity crisis, declining GDP per capita and low business investment. A strong oil and gas industry can help get our economy back on track while we advance our work to reduce emissions.

With that, I'm happy to take your questions.

• (1545)

[Translation]

**The Chair:** Thank you, Mr. McKenzie.

Now we will go to Shell Canada. Ms. Pierce, please go ahead.

[English]

**Ms. Susannah Pierce (President and Country Chair, Shell Canada Limited):** Thank you very much, Mr. Chair.

Good afternoon, and thank you for the invitation to participate today.

I want to first acknowledge that as I am in Toronto, I'm on the traditional territory of many nations, including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples. I am very grateful to be healthy and in good spirits, and I hope you are, too.

Today's topic is at the core of Shell's strategy, which supports our purpose to provide more and cleaner energy solutions as we work to become a net-zero emissions energy business by 2050. Shell Canada Limited has operated in Canada for over 100 years. We are an integrated energy company, offering products and services ranging from aviation fuels to sulphur and EV charging. We operate fuel refining and chemical facilities near Fort Saskatchewan, Alberta, and Sarnia, Ontario, and have nearly 1,500 branded mobility stations across Canada. Shell Canada also produces shale gas and liquids in Alberta and B.C. and is a joint venture participant in LNG Canada. We are also proud of our advancements in carbon capture and storage, CCS, and low-carbon fuels.

There's no question the global energy system is in transition—and so is Shell. The pace of our own transition will be guided by how fast we can adapt our businesses and will depend on external factors, such as progressive government policy and customer choice. We believe our strategy will transform Shell into a net-zero emissions energy business, creating value for our shareholders, customers and wider society. However, our operating plans can't reflect our 2050 target yet as this is outside our 10-year planning period. In the future, as society moves towards net-zero emissions, we expect Shell's operating plans to reflect this movement. If society as a whole doesn't get to net zero in the same time frame, however, there's a significant risk that Shell may not meet its target.

We recognize the importance of Canada's climate targets and the need for society, including companies like ours, to play a role. Shell Canada has joined the federal government's net-zero challenge, which recognizes businesses developing and implementing credible net-zero emissions plans.

Shell has laid out short- and medium-term climate targets in support of our “net-zero emissions by 2050” target. These targets are complemented by the ambition to help address scope 3 emissions, which come from customers' use of the oil products we sell. This means we are working to reduce our own emissions and shift our product offering towards low- and zero-carbon products. Already we are making good progress. Globally, by the end of 2023, we'd achieved more than 60% of our target to halve scope 1 and 2 emissions from our operations by 2030, compared with 2016.

Shell Canada is well positioned to deliver on our strategy here in Canada. We are decarbonizing our operations, for instance, through reducing methane emissions and incorporating renewable power, such as hydro, solar and wind power, and CCS.

Increasingly, we are also investing to increase the supply of low-carbon fuels and rolling out EV charging across the nation, in partnership with governments and communities.

We are also contemplating other investments, including a large-scale CCS project in Alberta.

Decarbonization projects must be investable. We believe society will not achieve the needed scale of emissions reductions if projects are highly reliant on government funding alone. Instead, companies need to develop business models that are plausible and profitable, and can unleash private capital, while working closely with governments. It's worth knowing that last year roughly 8% of Shell's global investment was in Canada. The majority of the spend was on the LNG Canada project, which will use natural gas and renewable electricity to reduce emissions from the plant by more than one-third compared with the world's best-performing facility when it starts up. LNG Canada is the largest private sector investment in Canadian history and a once-in-a-generation opportunity for first nations, local communities, and provincial and national economies.

Shell supports a balanced energy transition, one in which the world achieves net-zero emissions, while still providing a secure and affordable supply of energy today. To help manage affordability for all Canadians, it's vital we don't dismantle the current energy system faster than we can build the clean energy system of the future. By working together with effective government policies, we can help shift consumer demand to low-carbon products and develop the infrastructure and technology needed for the energy transition. Shell's ability to raise and invest capital through the energy transition depends on delivering strong shareholder returns. Governments and taxpayers can't and shouldn't fund the transition alone. If projects don't offer attractive returns, capital won't be invested.

In closing, Shell has a clear strategy to become a net-zero emissions energy business by 2050 and has set clear targets to measure our progress. By making decarbonization projects investable, we can unleash further clean energy investment, which will ultimately benefit all Canadians.

I look forward to the discussions today.

Thank you, Mr. Chair.

• (1550)

[*Translation*]

**The Chair:** Thank you, Ms. Pierce.

I now give the floor to Ms. Harradence, from Enbridge.

[*English*]

**Ms. Michele Harradence (Executive Vice-President and President, Gas Distribution and Storage, Enbridge Inc.):** Good afternoon, Mr. Chair.

I'm Michele Harradence, EVP and president of Enbridge's gas distribution and storage business.

We acknowledge that our projects and operations span treaty and tribal lands, the national Métis homeland, unceded lands and the traditional territories of indigenous nations, tribes, governments and groups across Turtle Island. As such, we have a responsibility to preserve and care for the land, learn from her original inhabitants and move forward together in the spirit of healing, reconciliation and partnership.

In the spirit of reconciliation, I want to thank all parliamentarians for the important step this spring towards a national loan guarantee program. Following on the success of our own Project Rocket, where 23 communities purchased an equity position in our Athabasca system, thanks to the Alberta program, we believe the national loan guarantee is a critical step to open up more opportunities for indigenous communities to fully participate in Canada's economy.

Building on my copanelists' presentations, which represent the perspectives of upstream producers, I will focus today on the critical role of natural gas in delivering safe, reliable, affordable and sustainable energy to millions of homes and businesses in Canada and beyond.

Enbridge recently celebrated our 75th anniversary, and our Ontario utility has been operating for over 175 years. Over that time, we have evolved to meet society's changing energy needs while contributing to Canada's economic development and quality of life. Today, our gas distribution and storage business serves four million customers in Quebec and Ontario, including rural, northern and indigenous communities, and with our recent U.S. acquisitions will soon be the largest natural gas utility in North America.

We're North America's leading energy infrastructure company for oil and natural gas, moving resources from production to demand centres across the continent and around the world, and we're one of the largest renewable companies on the continent.

We also deliver benefits for Canada. In 2023, Enbridge invested over \$2.5 billion in capital and spent over \$3.6 billion on operations across Canada. We contributed over \$3.15 billion in property tax, corporate tax and other taxes, and we firmly believe that natural gas has a key role in our energy future. In fact, the IEA predicts that the path to net zero will involve diverse energy sources that will shift over the decades.

Natural gas is a highly reliable energy source. It remains a cost-effective energy source for consumers, at about half the cost of oil or propane and about 50% cheaper than electric baseboard heating.

Natural gas pairs well with renewable energy. When the sun doesn't shine and the wind doesn't blow, or in cold snaps and heat waves, natural gas is quick and easily dispatchable to meet peak demand.

A 24-7 economy requires 24-7 power, and as energy demand rises, all sources will be needed to meet it. For heavy industries like steel, chemicals and cement, natural gas is a critical feedstock and a fuel for the manufacturing process. In the future, these sectors may well be supported further by lower carbon options like renewable natural gas, carbon capture and storage and, eventually, hydrogen.

While of course electricity will have a vital role in the future energy mix, it's inextricably linked to natural gas. For instance, consider the growing power demands for data centres and AI. Clean tech, EV plants and critical minerals, which have been enticed by federal incentives, also create more energy demand.

We believe industry has a key role to play in reducing emissions related to natural gas. Enbridge is a signatory to the One Future Coalition, a group of over 55 gas companies aiming to reduce methane emissions intensity to below 1%. To get there, we're investing in modernizing our systems, and we're innovating to manage methane emissions. In 2023 we reported a 20% reduction in absolute emissions from 2018 levels and a 40% reduction in our methane emissions. We're encouraged by these results and focused on reaching our 2050 net-zero target.

As we look to ensure Canada's investment in its natural gas infrastructure remains used and useful, we're investing in low-carbon fuels that can be blended with natural gas. In Ontario, we're involved in a biogas facility that's turning organic waste into RNG, fuelling Ontario's first carbon-negative bus in the city of Hamilton. We also launched, just north of me here, North America's first hydrogen-blending project, which serves over 4,000 residential customers in Markham and which has lots of potential to grow.

Finally, Canadian LNG is providing energy security in Europe and Asia and helping to reduce global emissions by replacing coal-fired generation. Canada must look beyond our borders and the 1.5% of global emissions we produce to deliver our reliable, affordable and responsibly produced natural gas to our allies and partners.

I thank you. I certainly welcome your questions.

• (1555)

[*Translation*]

**The Chair:** Thank you very much to all of you.

Ms. Pierce, I would ask you please to raise the arm of your ear-piece for the benefit of the interpreters.

Ms. Stubbs will begin the discussion.

Ms. Stubbs, you have six minutes.

[*English*]

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

Thank you to the witnesses.

I agree with everything you just said about LNG. LNG Canada was previously approved by the federal Conservative government, then deliberately delayed and risked by the government that froze all the applications, put that project under review—again unnecessarily—and then gave it the stamp of approval.

Because of the subject of the motion, I'm going to concentrate on upstream oil sands producers, but I invite all of the other CEOs to follow up on any questions I ask or on subjects you want to expand on with written commentary, which must be included in a final report from this committee.

I want to ask a very quick yes-or-no question of Mr. Kruger, Mr. Corson and Mr. McKenzie.

Recently, a statement was made that, after 40 years, your companies have done very little to combat climate change. Three Conservative colleagues at this table here represent the workers, indigenous workers, employers and contractors, and the communities in which all of your companies operate. That was shocking to us and not nearly what we see in our own backyards.

Answering yes or no, does that statement reflect your position and the position of your company?

• (1600)

**Mr. Rich Kruger:** I'll start. That does not represent Suncor's position.

**Mr. Jon McKenzie:** I would concur with that. That doesn't represent Cenovus's position either.

**Mr. Brad Corson:** Nor does that represent Imperial's position.

**Mrs. Shannon Stubbs:** Thank you.

I'll start with Mr. Kruger. The time is very limited. Which country is the top competitor for energy investment in Canada?

**Mr. Rich Kruger:** Capital is global, but right now, we compete for investment capital with the United States perhaps more than with anywhere else today.

**Mr. Jon McKenzie:** I would agree with that. If you look at the top 10 producing countries, with Canada being four in most circumstances—sometimes, it's five—it is the U.S. that we largely compete with for capital.

**Mr. Brad Corson:** I would agree as well.

**Mrs. Shannon Stubbs:** In which country is it easier to get things built? Is it the United States or Canada? How does Canada's regula-

tory and fiscal framework compare to the United States', as well as with those in other major energy-producing countries around the world, where, Mr. Kruger, you have lots of experience?

**Mr. Rich Kruger:** Shannon, you asked a direct question. I'll give you a direct answer.

From a regulatory policy standpoint, it's much more difficult to get things done in Canada. We have a level of complexity, a level of layering and an overlapping of policies in Canada that make it take a longer time and more cost to plan and execute energy projects than in the United States.

**Mr. Jon McKenzie:** I'd suggest the same. We don't have as many assets in the U.S. as other companies might have, so I can't speak specifically on a state-by-state basis, but I would suggest it's becoming increasingly difficult to get projects through the regulatory process in Canada.

**Mrs. Shannon Stubbs:** Again, I invite further details and a written follow-up on these questions.

To the upstream oil sands developers, which have operated for decades, has it always been your understanding that upstream oil sands development is under provincial jurisdiction?

**Mr. Rich Kruger:** I'll go ahead. The resource is owned by the province. The vast majority of the permits and approvals we need and seek are from the province, unless it gets to some.... There are some select issues with water and things that require national approval.

**Mr. Jon McKenzie:** I would agree with that.

**Mr. Brad Corson:** I have nothing to add.

**Mrs. Shannon Stubbs:** Okay. Thanks—

**The Chair:** Wait just one moment.

When a witness is not speaking, we ask that you put yourself on mute, if that's possible. Thank you.

**Mr. Rich Kruger:** Okay. I'm sorry.

**The Chair:** Go ahead, Mrs. Stubbs.

**Mrs. Shannon Stubbs:** To each of you, do you intend to grow your oil sands production and specifically Canada's oil exports?

**Mr. Brad Corson:** Certainly that is our objective. We have been growing our production and we see there continues to be a global market for our products. We think Canada can play a very important role and bring significant economic benefits to this country. Yes, our objective is to economically and responsibly grow production.



**Mr. Jon McKenzie:** Cenovus is the same. We're currently growing our oil sands production by about 70,000 barrels a day over the next three to four years. What I would say is that we're one of the major shippers on the TMX pipeline, which gives us egress and access to global pricing for our products, but without that egress, I'm not sure that would happen. I think one of the two issues that we have in Alberta in growing our oil sands production is solving for carbon, which we need to do, and ultimately solving for egress as well. Both of those fall within the regulatory framework that you referred to in your prior questions.

• (1605)

[*Translation*]

**The Chair:** Thank you.

Mr. van Koeverden now has the floor.

[*English*]

**Mr. Adam van Koeverden (Milton, Lib.):** Thank you very much, Mr. Chair.

Thank you to the witnesses for joining us here. I can tell you that I've never seen the room this full, so there's considerable interest in this discussion. Thank you very much for joining us virtually.

I'm going to focus all of my questions on oil sands, and my questions will be directed to you, Mr. Kruger, if that's okay. I'm just trying to find my camera, which is just over there, so I can speak directly to you.

I have a couple of graphs here. The first graph is the change in Canada's oil and gas sector greenhouse gas emissions since 2005. I'm hoping that with the camera you'll be able to see this. The dark blue line represents the increase from oil sands production. You'll notice that it has gone up about 40%, and 40% of all oil and gas emissions are from the oil sands. They represent about 87 megatonnes in emissions. For reference, Canada's emissions sit at around 708 megatonnes. That's a very considerable—

**The Chair:** Mr. van Koeverden, I'm told the same rules apply in committee as in the House with regard to props.

**Mr. Adam van Koeverden:** There's no other way that I can share this graph, but as everybody can see, the oil and gas emissions have gone up quite dramatically.

**The Chair:** I understand.

**Mr. Adam van Koeverden:** Mr. Kruger, are you familiar with this? Are you familiar with the 87-megatonne contribution just from the oil sands in Canada to Canada's overall emissions?

**Mr. Rich Kruger:** I'm not familiar with the graph. It wasn't legible to me, but I am familiar generally with the emissions increase as it's related to production increase with Canada's growing share of the world's oil markets.

**Mr. Adam van Koeverden:** I'm glad that you referenced the total production going up because that's very true. What has also gone up is the individual emissions intensity per barrel. I have another graph here. I won't hold it up. It indicates a 9% increase in the emissions intensity per barrel of oil in Canada. Do you agree that the emissions intensity per barrel of crude oil in the oil sands has gone up as a result of longer distances, access to mines and processing facilities?

**Mr. Rich Kruger:** I can't speak to the oil sands overall, but I'm looking at a comparable chart for our company, where I would say it's been essentially flat over the last five years from an intensity standpoint.

**Mr. Adam van Koeverden:** My graph goes back a lot farther than that to 2004. What I see is more than a 10% increase in emissions intensity per barrel of crude from the oil sands. Now, here I have a comparison of the emissions intensity per barrel, kilograms CO2 per barrel, of various types of oil and gas.

Like I said, I'm focusing on the oil sands here. The oil sands have an average emissions intensity of about 174 kilograms CO2, whereas U.S. Bakken with no flare is around 24 kilograms CO2. In Mexico, Cantarell is around 40. Even U.S. Alaska North Slope is just over 100. It's 174 kilograms of CO2 per barrel of oil. Like I said, that's been going up over the last 20 years or so. There are 174 kilograms of CO2 emissions per barrel. That's, again, emissions intensity per barrel in the oil sands.

This is just extraction and processing emissions before it's even used. When people, particularly.... I've heard it a couple of times today, but Conservative politicians regularly say that Canada needs more oil and gas. Do you know what? I tend to agree. If we can produce it more ethically and with a lower carbon intensity, then certainly. Have we demonstrated an ability to reduce the carbon emissions per barrel of bitumen extraction in the oil sands?

Everything that I'm reading here indicates that it's upwards of seven times more oil-intensive than oil elsewhere. Where's the rationale for Canadian oil sands being way less carbon-intensive? It seems like it's the opposite of what's true.

**Mr. Rich Kruger:** Again, I don't have the benefit of the data and charts you're looking at. Had they been shared ahead of time, I might have been able to comment more directly.

However, I would say generally...and I know three companies represented on this call today have invested tens of billions of dollars in new-generation mining that essentially produces a barrel that is then the equivalent of a barrel refined in the U.S. today. We've done that at Fort Hills—and I'll let my other colleagues speak—and it's called paraffinic froth treatment. It is a technology that has been developed in Canada and that allows Canadian barrels to be competitive on the world scale.

I'll add one other quick one. One of my colleagues also mentioned what they're doing with in situ technologies to introduce solvents that dramatically reduce the carbon intensity.

I think therein lies the answer: Canadians, given the opportunity, their technology and their ingenuity, can achieve the climate objectives and can benefit Canada and Canadians at the same time.

• (1610)

**Mr. Adam van Koeverden:** Mr. Kruger, I would tend to agree with you that it's possible, but it hasn't been demonstrated yet. As I said, Canada's oil sands per-barrel emissions are seven times those of the alternatives. Then when people say we should be lowering the emissions of the oil and gas production average around the world by increasing emissions from our oil sands, it just doesn't add up. There are more emissions per barrel from our oil sands production than there are from literally any type of oil or gas around the world.

Again, I'll read your quote precisely. It says:

The world will not consume one less barrel of oil simply because Canada chooses not to provide it. That barrel will come from somewhere else. In most cases, somewhere with less commitment to responsible development...and climate action.

Mr. Kruger, it's demonstrated right here that Canadian oil sands bitumen is the highest-emissions product on the market today. Is it going to go down? Is it going to get down towards U.S. Bakken? Can we get it under 100 kilograms of CO<sub>2</sub> per barrel?

**The Chair:** Could we have a very brief response, please?

**Mr. Rich Kruger:** I think the answer is to work together. We talked about the Pathways Alliance, for example. There are major opportunities to do that. When we do that, the world benefits, Canadians benefit and Canadian industries benefit.

Yes, I'm a believer that the answer to that is yes.

**Mr. Adam van Koeverden:** Canadians are relying on you. I really hope we can get oil sands emissions down.

[Translation]

**The Chair:** Thank you.

Ms. Pauzé now has the floor.

**Ms. Monique Pauzé (Repentigny, BQ):** Thank you, Mr. Chair.

Thanks to the witnesses for being with us.

I have some questions, but I'm going to begin with a statement because I think some things need to be said.

The theme of the meeting to which I've been invited is the profits of your companies, whose operations, I would note, make those companies the biggest CO<sub>2</sub> emitters in Canada, if not the world, as Mr. van Koeverden just discussed. Along with those profits, which are in the region of \$39 billion a year, we would like to hear about your efforts to reduce your greenhouse gas emissions, something that appears to be a major challenge because all of you are in favour of increasing production despite the commitments that Canada has made under the Paris agreement.

Through your lobbying companies, whether it be the Canadian Association of Petroleum Producers or Pathways Alliance, you

have managed to convince the federal government to allocate several billions of dollars in the form of tax credits to carbon capture and storage projects in particular. There are others, but I won't touch on them. However, carbon capture and storage technology will contribute nothing to emissions reduction. I'll come back to that point.

Here in the Standing Committee on Environment and Sustainable Development, we are sickened by the recent revelations from journalist Carl Meyer's investigation, which was published in *The Narwhal* on May 27. In addition to securing public funds through Pathways Alliance when your pockets are already full, you've also sought assurances from us that the carbon capture and storage projects contemplated by you and member corporations won't be subject to the federal review provided for under the Impact Assessment Act. Given the state of climate change, I find that request shocking. I'm appalled. To make such a request, the alliance must be unshakably confident and absolutely certain of the influence your industry has on the political system.

The Alliance's meetings with four ministers that were reported in that article occurred in January 2023. The article cites clear demands that read like a carbon copy—just a little pun to lighten the atmosphere—of measures that you've secured under recent budgets. Other requests, which don't yet appear in the federal budget, will probably be in the budget for the next fiscal year because Pathways Alliance is nothing if not zealous in its efforts.

In 2020, Shell Canada announced that its Quest project had captured five megatonnes of CO<sub>2</sub> in five years. Many organizations that wrongly contend that carbon capture and storage technology is the missing link for decarbonizing the oil and gas industry use that number to impress people and steer the government more toward carbon capture and storage, despite the failings of that technology, because research and assessments have shown that the Quest project has emitted more CO<sub>2</sub> than it has captured. I tell you from the outset that I don't believe the claim that carbon capture and storage will save us. We'll come back to this.

I would remind you that, last May, the Capital Power corporation terminated the carbon capture and storage project at its Genesee site west of Edmonton. Avik Dey, CEO of Capital Power, said that, upon carefully reviewing the project, the company had concluded that it hadn't met the risk-reward thresholds set for it and that the company had therefore terminated the project.

Bloomberg Business News estimated that the cost of carbon capture and storage for currently operating facilities was \$600 per tonne. Hundreds of credible experts and organizations around the world, even people in your own industry who don't wish to engage in greenwashing, keep repeating that, if the technology isn't ready after five years in development, then it's best to try something else. However, carbon capture and storage technology has already been around for 15 years. You've promoted it mainly so you can exhaust oil fields.

Ultimately, you'll have to write down your industry's balance sheet, period, end of story.

Data published by the Canadian Association of Petroleum Producers confirmed earlier this year that investment in the sector would reach \$40.6 billion in 2024 and that those funds would be invested in increased operations and production, not decarbonization measures, for no other reason than to maximize your profits.

• (1615)

You can't even allocate the equivalent of one year's profits to the climate transition or to adapting your workers' skills so they can work in the renewable energy industry. It's your shareholders who come out winners. The money of Quebeckers and other taxpayers should be used to slow you down and to promote a more orderly and planned exit from our dependence on fossil fuels, as stated by the Intergovernmental Panel on Climate Change, the International Energy Agency and many hundreds of experts.

You've discussed good jobs and growth, of course. I was sure I'd hear about that.

Here's my question: While ecosystems, human health and human rights are being undermined, and the Senate has just finished a two-year study on the subject, why siphon off public funds if you're doing it to maintain the status quo? Where's your sense of responsibility? How can we possibly want to adopt you as partners in the transition?

**The Chair:** As you can understand, Ms. Pauzé, the answer will have to wait.

Ms. Collins, perhaps you would like to hear the answer to Ms. Pauzé's question. Whatever the case may be, the floor is yours.

[English]

**Ms. Laurel Collins (Victoria, NDP):** Thank you, Mr. Chair.

My first question is for Mr. Kruger.

You have been making record-breaking profits. The oil sector, the oil and gas companies, raked in \$63 billion in 2022 alone. The CEOs around the virtual table today make millions in salaries and bonuses.

You personally made \$36.8 million in your first year as CEO. I was just doing a quick calculation with the median income of someone in my community. That would take them about 640 years to make. In that same year, in that same first year, you also laid off 1,500 workers.

We asked Canadians to send us questions that they wanted us to ask the oil and gas CEOs. The question that came up the most often

was this: How do you sleep at night when there are climate fires ravaging our country, when people are displaced from their homes, when hundreds die in heat domes, when people are scared to let their kids go out and play because the smoke is too dangerous to breathe? How do you sleep at night?

**Mr. Rich Kruger:** I appreciate your desire to create headlines, point fingers and attempt to villainize the industry. However, what I would say when you do that is that you're actually attacking hundreds of thousands of Canadians nationwide who work hard each and every day to provide energy in support of this country.

I'll take that; I have thick skin. Some of your data is inaccurate, but I understand the emotion behind it. I want to get to why we were called here today. It was to talk about profits and emissions reductions.

**Ms. Laurel Collins:** My question in particular was this: How do you sleep at night, given the climate crisis and your responsibility in fuelling it?

**Mrs. Shannon Stubbs:** I have a point of order.

Do we have any decorum around here in terms of personal attacks on individual witnesses? It's bizarre.

**The Chair:** I think, to be honest, that's more of a rhetorical question, but I stopped the clock.

• (1620)

**Mr. Damien Kurek (Battle River—Crowfoot, CPC):** I have a point of order, Mr. Chair.

The question was asked and I think that, in the standard operating practice within the committee, the approximate amount of time for the question asked versus the ability for the answer to be given.... Ms. Collins asked a question. Certainly, Mr. Kruger was starting to answer.

**Ms. Laurel Collins:** Mr. Chair—

**Mr. Damien Kurek:** I think that it is only appropriate and in line with the traditions of this place to allow for answers to be given.

**The Chair:** I fully intended, Mr. Kurek, to allow an answer to be given. What I'm saying is.... I'm just making a comment that it was a rhetorical question, but—

**Ms. Laurel Collins:** I have a point of order, Mr. Chair.

**The Chair:** Yes, Ms. Collins. There's nothing wrong with rhetorical questions. They are always permitted.

**Ms. Laurel Collins:** It wasn't a rhetorical question. This was the question that we got most often from Canadians who wrote in, wanting answers from oil and gas CEOs. This was their question.

**The Chair:** Okay, you go ahead. I'm going to start the clock now.

You go ahead, Mr. Kruger. The floor is yours to answer the question.

**Ms. Laurel Collins:** Mr. Chair, I believe that Mr. Kruger answered the question. Then he wanted to change the topic to something else. If he's not wanting to answer that question in particular, I have more questions.

**The Chair:** We didn't give him a chance to answer the question.

Mr. Kruger, do you want to answer that question?

**Mrs. Shannon Stubbs:** [*Inaudible—Editor*] and actually get on the topic of this study.

**Mr. Rich Kruger:** Frankly, I don't know what the criteria is for how I sleep at night, but what I do know is that the tens of thousands of employees and contractors who work for us work hard each and every day to provide safe, secure and reliable energy for Canada. Other than my sleeping patterns, I don't have any other reply to that one.

**Ms. Laurel Collins:** Thank you.

We had climate-impacted Canadians come to Ottawa today to share their stories. They told us about having their homes burnt to the ground. They told us about having floods completely ruin decades of memories. They told us about their community that will soon be swept away. Farmers have told us about the impact of the smoke on their workers and of the impacts of the climate crisis on our food systems.

It is wild to me that, when we are facing a climate emergency, we have people around this virtual table raking in billions of dollars and then coming to the government and asking for more handouts. Why is it that you expect everyday Canadians, taxpayers, to fund the—

**An hon. member:** [*Inaudible—Editor*]

**Ms. Laurel Collins:** I understand that my Conservative colleagues want to protect—

**The Chair:** Ms. Collins has the floor.

**Ms. Laurel Collins:** —oil and gas CEOs and that they feel like they need to defend them at every corner, but—

**The Chair:** Excuse me, colleagues. I'm going to stop the clock.

Ms. Collins has the floor. Everyone has their time, and it's their time. I would ask members to let the witness and the questioner speak unimpeded.

Ms. Collins, go ahead.

**Ms. Laurel Collins:** I'm curious how it is that you feel comfortable coming to the federal government and asking them for more handouts when you are raking in record profits and can pay to clean up your own pollution.

**The Chair:** Who is that for?

**Ms. Laurel Collins:** It's for Mr. Kruger.

**Mr. Rich Kruger:** I'm apparently pretty popular today.

Let me start on the record profits for a minute. Two of my colleagues said this, and I'll be quick so I can, perhaps, get my answers in. We are a global, capital-intensive industry that goes with cyclic prices on a commodity. In the last four years, yes, we've had a record profit year, and, yes, we've had a record loss year.

On average, over the last four years, we've made \$17 billion—big numbers, big industry. In those same four years, we've paid \$17 billion in taxes and royalties, and each and every year, we've paid

an additional \$8 billion in salaries, wages and benefits to Canadians who also pay taxes.

Yes, we're a big business, and the numbers are big, but it goes up and down. You characterize us as having record profits. We did one year, yes, but then also remember the year that was a record loss. Those are the last four years on the roller coaster of global oil and gas.

**Ms. Laurel Collins:** When you make record profits, when there are headlines that say the oil and gas sector has made more money than it's ever made before, how are Canadians supposed to trust that you will invest that in decarbonization instead of putting it into the pockets of your shareholders and into bonuses for yourselves, because that's what we've seen?

You have been part of the oil and gas industry for decades and part of companies that have misled Canadians for years and years. Your companies knew that there was a climate crisis. They knew that climate change was real, yet funded misinformation to try to convince Canadians that the climate crisis was not as serious as it is.

• (1625)

[*Translation*]

**The Chair:** We have to stop here because that completes the first round of questions.

We will now begin the second round.

Mr. Deltell, go ahead.

**Mr. Gérard Deltell (Louis-Saint-Laurent, CPC):** Thank you very much, Mr. Chair.

Ladies and gentlemen, welcome to your Parliament of Canada.

We all agree that climate change is real and that we need to adapt to it. Consequently, we have to reduce pollution and emissions.

As we obviously know, the oil industry plays a major role in Canada in both our economic and energy-related lives and that it has considerable impacts on the environment.

We use oil at home in Quebec. According to recent studies published by HEC Montréal, 18 billion litres of oil are used every year, which represents an 87% increase.

We will fight for Canadian oil for as long as we need it. Why is that important? Because, in Canada, we have very high human rights and environmental standards.

Remember that Canada makes equalization payments to many provinces. Quebec receives \$13 billion in equalization.

Now I'm going to ask some questions, and I'd like all the witnesses to answer each of them.

First, by how many percentage points have you managed to reduce the industry's environmental footprint or the amount of pollution generated by producing a barrel of oil?

Let's begin with you, Mr. Kruger.

[*English*]

**Mr. Rich Kruger:** I don't understand the context of the time frame. I think it varies by time frame and by the type of production we have.

I don't have a simple answer to that question.

**Mr. Gérard Deltell:** If you produce more, obviously you'll have more emissions. We understand that. However, if you count your emissions by each and every barrel, did you reduce the emissions by each barrel over the last year or over the last years?

**Mr. Rich Kruger:** Thank you.

I'll be quick so my colleagues can answer.

Right now, for example, we're the largest blender of biofuels in consumer products—diesel and gasoline. This is reducing the carbon intensity of individuals in terms of not only the product we produce but that they're consuming. We're now investing \$1.7 billion to cut the emissions at an oil sands plant by cogeneration—going from coke-fired boilers to natural gas-fired boilers. That project will be complete by the end of this year. You'll see the corresponding emissions reductions thereafter.

The activities and the money we're spending now are benefiting and reducing the carbon content of what we produce and the way our consumers use it.

**Mr. Gérard Deltell:** Mr. Corson, please go ahead.

**Mr. Brad Corson:** If I could comment from Imperial's perspective, I'm quite proud of the progress we've demonstrated in reducing the emissions intensity of each barrel we produce. As I mentioned in my opening comments, from 2013 to 2016, we reduced that intensity by 20% per barrel. Since 2016, we have reduced by an additional approximate 10%.

As I mentioned, we have an objective to reduce it by 30% by 2030. Of course, collectively, as the Pathways Alliance, we've all set objectives to work together to achieve net zero by 2050. I'm quite proud of that progress, and we are going to continue to invest. We're very committed to this objective.

[*Translation*]

**Mr. Gérard Deltell:** Ms. Pierce, what's your answer to my question?

[*English*]

**Ms. Susannah Pierce:** Thank you very much, Mr. Chair.

We are not a major oil producer in the country of Canada, but what I can share with you is that we have scope 1, scope 2 and scope 3 targets.

On a global basis, for scope 1 and scope 2, we've reduced by close to 60% of our 50% target for 2030. That's from a 2016 time frame. I'd also comment that, with respect to methane emissions, we reduced by 70% between 2016 and the end of last year. We have

a very clear commitment to continue to reduce our methane emissions to near zero by 2030.

As I mentioned earlier, we have a commitment to reduce scope 3—the emissions from our customers—by 15% to 20% by 2030. We've also made a commitment to reduce emissions from our oil products by 15% to 20%.

Thank you.

**Mr. Gérard Deltell:** When we talk about reducing emissions, it's a never-ending story. If you challenge yourself, you will have to reduce year after year.

What is the target for this year to reduce emissions, and how much money do you intend to invest in the reduction of pollution?

• (1630)

[*Translation*]

**The Chair:** We only have time for a single answer. Whom would you like to hear answer your question, Mr. Deltell?

[*English*]

**Mr. Gérard Deltell:** Whoever will answer.

**The Chair:** We have time for one answer. Who would like to answer that one?

The clock is running—three, two, one.

Okay. We'll go to Ms. Taylor Roy.

**Ms. Leah Taylor Roy (Aurora—Oak Ridges—Richmond Hill, Lib.):** Thank you very much, Mr. Chair.

Thank you to the witnesses for being here. I listened with great interest as you all made your opening remarks, and I noted a few things.

Jon McKenzie said that the oil and gas industry is good for Canadians. Suncor CEO Richard Kruger said that we should be producing more oil in Canada because we have strong social accountability and climate action measures.

Ms. Pierce, you said that you were happy to be healthy and in good spirits and wished that we all were too.

I want to comment on those things because words are all fine and good, but it really depends on the context and on who is listening to those words.

When you talk about the oil and gas industry being good for Canadians, Mr. McKenzie, it really depends on how you define "good". When you were speaking of it, it was all economic measurements—I would suggest you left out a couple of economic measurements such as share prices and executive compensation—but most Canadians believe that what is good for Canadians is keeping global temperature increases to less than 1.5°C and certainly less than 2°C. They believe that good health and economic justice is good for Canadians, and they believe that not seeing out-of-control forest fires, floods and droughts is certainly good.

Indigenous people I've spoken to also believe that we have a duty to protect our planet for the next seven generations. It seems that is in a bit of opposition to the economic good that you referenced.

Additionally, the social accountability and climate action measures you mentioned, Mr. Kruger, are one of the reasons you're here. It doesn't seem that the oil and gas industry is living up to those measures that we have in place in Canada. With the increase in production of fossil fuels, carbon emissions have continued to increase. The industry is against a cap on emissions, which would provide social accountability and more climate action. It's also against methane regulations. All of those things would help to ensure that Canadians believe that the social accountability and climate action we want in Canada were being met by the oil and gas industry.

Lastly, Susannah, our youth are not in good spirits. I speak to many of them, and they're experiencing climate anxiety and despair, quite frankly. Elderly people are suffering from heat domes and poor air quality. Homeowners have seen their homes washed away, and farmers are struggling to keep their farms up through droughts. This is a different reality from what you're talking about.

Your emissions from the industry have increased. You have this belief that you'll meet the goals by 2050, but we haven't seen action. There seems to be a lot of uncertainty about the industry meeting its goals for 2030, the 22 megatonnes.

I would like to request that every one of the companies table their specific plans and the investments they're going to be making that have been board approved to get to net zero, with the 2030 interim targets, and what investments you have made and are going to make to reach those goals, because, while words are good, actions are better.

Thank you.

**The Chair:** You still have about a minute and a half.

**Ms. Leah Taylor Roy:** I'd like to ask every company about the specific commitments they have made to get to that 22-megatonne annual reduction by 2030, their current investments. I know that Pathways Alliance has a large project.

Perhaps we could start with you, Mr. Kruger. What has Suncor committed to investing as of right now to get to that target by 2030?

**Mr. Rich Kruger:** We publish every year an annual sustainability report and a climate report that details at length the actions we're taking and the commitments we've made. Unless you want to take the rest of the time, I could read through that report, or I could send it to you. That might be a little easier.

**Ms. Leah Taylor Roy:** No, I just want to know the specific investment targets you're making in CCUS right now.

• (1635)

**Mr. Rich Kruger:** CCUS is around the preparation and the negotiation to determine an appropriate framework for the Pathways Alliance carbon capture and storage. We can't do that on our own.

**Ms. Leah Taylor Roy:** You're still in discussion. You've not made any commitments to investment right now.

**Mr. Rich Kruger:** We can't do that on our own. We need a regulatory framework, and we need the right fiscal framework to enable the competitiveness of the industry and to do it so that everybody benefits from it.

The people committed are showing up at the table each and every day with their sleeves rolled up. They're working hard at multiple levels of government to try to get this done.

[*Translation*]

**The Chair:** Thank you.

Ms. Pauzé, the floor is yours for two and a half minutes.

**Ms. Monique Pauzé:** Thank you, Mr. Chair.

Ms. Pierce, going back to Shell Canada's Quest project that I mentioned earlier, five megatonnes of carbon were captured as part of that project, but 7.5 megatonnes were produced during the same time period. I'd like the people watching us to know that \$777 million of the total \$1 billion cost invested in that project came from public funding.

Now I'd like to discuss the Institute for Energy Economics and Financial Analysis. According to that institute, 10 of the 13 carbon capture and storage projects currently under way are underperforming or have simply failed.

Ms. Pierce, how can capturing one megatonne of carbon per year be of any help to an industry that, according to recorded data for 2022, produces slightly more than 158 megatonnes in that same period of time?

[*English*]

**Ms. Susannah Pierce:** Thank you for the question.

As you may recall, the Quest CCS project began back in the 2010s. It was a pilot project and it was advancing the technology, so as a result, it was a project from which we were learning. It was a project on which we had to work with government in order to make it feasible, partly because of the financial framework and partly because the business models didn't exist.

As a result of that project, however, we now have captured nine million tonnes, and that is significant because that's nine million tonnes that would otherwise have been emitted. In fact, I believe the project has worked and a lot of the information—

[*Translation*]

**Ms. Monique Pauzé:** I'm going to stop you for a moment. You say you've captured carbon, and you're right. However, in September 2022, the institute that I named earlier announced that 73% of captured CO<sub>2</sub> had been sold for enhanced oil recovery purposes.

In short, the Quest project did in fact make it possible to capture more carbon, but it was then used solely to extract more oil.

So how does that help fight climate change?

[English]

**Ms. Susannah Pierce:** Thank you for the question.

The project was really looking at how we could reduce emissions from the manufacturing of oil, oil that is still in demand unfortunately as a part of the overall economy. Eighty per cent of the world today still depends on fossil fuels, so we can't shut down the existing energy system. What we can do is use projects like CCS to decarbonize the fuels we use today. That is what projects like Quest and other CCS projects are about.

[Translation]

**The Chair:** Thank you.

Ms. Collins, please go ahead.

[English]

**Ms. Laurel Collins:** Thank you, Mr. Chair.

I want to start off by just going back to something Mr. Kruger said around the taxes that your companies pay. This is from Canadian for Tax Fairness. They note that:

From 2021-2023, the oil and gas industry recorded \$132.0 billion in pre-tax profits, second only to the real estate industry among non-financial industries. Among the 10 most profitable industries during this period, [the oil and gas sector] paid the lowest effective tax rate, 8.0%. This is because the oil and gas industry makes disproportionate use of tax credits and capital cost allowances. The industry received over \$20 billion in tax credits from 2010 to 2021.

It is unfortunate that our current government continues to give out huge fossil fuel subsidies, huge tax breaks, to an industry that is raking in record profits and paying an incredibly low tax rate.

I also want to talk about the lobbying that is happening. There is a clear analysis that the oil and gas emissions cap proposal is already set so low that it is easily achievable if your companies simply follow through on the voluntary climate promises you have already made.

It's pretty concerning to learn that you have been actively lobbying to undermine it, and you've also been actively lobbying against an excess profits tax on the oil and gas industry, and effectively, because we've learned through The Globe and Mail, that the finance minister was considering this and then backed down in the face of lobbying from your industry.

I'm curious as to why you consistently try to lobby against the policies you say you're potentially in support of because you want to get to net zero.

Maybe we'll start with Mr. Kruger and then we can go to Imperial with Mr. Corson.

• (1640)

**The Chair:** Mr. Kruger, go ahead.

**Mr. Rich Kruger:** Sure. There was a lot for a first date in that question or statement, or I'm not exactly sure what it all was, but I'll take it piece by piece. You referenced industry taxes and profits. I can't relate to those, but I can look at what my company has paid.

As I said, in the last four years, we've made \$17 billion, and we've paid \$17 billion in taxes and royalties.

**Ms. Laurel Collins:** The question was about lobbying and the emissions cap.

**The Chair:** Unfortunately, there's no time for the answer.

Mrs. Goodridge.

**Mrs. Laila Goodridge (Fort McMurray—Cold Lake, CPC):** Thank you, Mr. Chair.

It's interesting as I sit here and reflect that my dad worked for 42 years in the oil industry in Fort McMurray. He very proudly put on steel-toed boots every single day as a tradesperson to go and secure Canada's energy future. He was very proud of that and his time at Syncrude. I'm sure he would be beside himself if he could be here today to watch this and to see me at this table questioning the executives.

To start with, my questions are for Mr. Kruger.

What is the difference in emissions per barrel at the Suncor base plant, which is the oldest operation in the oil sands, versus Fort Hills, the newest?

**Mr. Rich Kruger:** They're materially lower at Fort Hills.

I don't have the exact numbers for the two different facilities, but in terms of the technology applied to develop Fort Hills, the average barrel that is produced at Fort Hills is essentially the same as the average barrel in North America. It's materially lower. New technology, much more recent—

**Mrs. Laila Goodridge:** Thank you.

I have very little time. Could you table that with the committee, please?

My next question is for Mr. Corson.

There's an active pilot project that's happening at the Cold Lake operation, which is in the southern part of my riding, and it's employing the enhanced bitumen recovery technology. What emissions reduction does this project represent?

**Mr. Brad Corson:** Thanks for the question.

We have multiple pilots we're pursuing. The enhanced bitumen recovery technology has the potential to reduce emissions intensity by approximately 60%. As I mentioned earlier, we've recently started up a new operation at Cold Lake called Grand Rapids that we expect to deliver a 40% reduction.

Technology plays a very key role in our path to net zero by 2050.

**Mrs. Laila Goodridge:** I have another question. I'm sorry to go all over the place, but we have very little time.

Mr. McKenzie, recently your company announced a very large amount of money—\$50 million—to help nearby indigenous communities tackle their very serious housing crisis. Was this part of a regulatory requirement or any kind of government requirement?

**Mr. Jon McKenzie:** The short answer to your question is that this was done of our own volition. I would like to take credit for that, but it was actually my predecessor, Alex Pourbaix, who started that program. We are delivering on an immediate need to aboriginal communities where we do business by building 200 homes over the next five years for that \$50 million that you spoke of. We're very proud of that.

**Mrs. Laila Goodridge:** I can go one further. It's beyond just building homes. You're actually—and this is something that I'm very proud of—also helping indigenous students get the skills they need at Portage College, which is also in the southern part of my riding and located primarily in Lac La Biche.

This goes to show a piece of the fact that doesn't get talked about here. I know most of the members around this table have gone on diatribes explaining to you guys as a way of undressing you in some form rather than actually asking questions.... I'm very happy we had the opportunity to have this, because these are important questions that Canadians deserve to have the answers to.

For my next question, I'll go to Mr. Kruger. What is your annual spend with indigenous business each year?

**Mr. Rich Kruger:** Last year, we spent, as a total company, on the order of \$15 billion or \$16 billion. Twenty-three per cent went to indigenous companies—more than \$3 billion.

• (1645)

**Mrs. Laila Goodridge:** Is that part of a government or regulatory requirement?

**Mr. Rich Kruger:** No, we do that because we think it's good business.

**Mrs. Laila Goodridge:** For Mr. Corson, I have the same question.

**Mr. Brad Corson:** Yes, we take a lot of pride in our relationship with the indigenous partners we have across our businesses. We've been growing that part of those relationships since 2008. We have spent a cumulative \$4.6 billion with our indigenous partners.

**Mrs. Laila Goodridge:** I have the same question for Mr. McKenzie.

**Mr. Jon McKenzie:** We too believe in investing in the communities where we do business. I believe that since 2019 we've spent about \$1.4 billion with aboriginal businesses, and since 2009 about \$4.5 billion.

**Mrs. Laila Goodridge:** My very last question is for Ms. Haradence.

The equity partnership with 23 indigenous communities is groundbreaking in my community and my region. You talked briefly about the AIOC being a success story. My good friend Justin Bourque was the leader on the Athabasca corporation that led this.

Why did you do this?

[*Translation*]

**The Chair:** We unfortunately don't have enough time to hear the answer.

I now give the floor to Mr. Longfield.

[*English*]

**Mr. Lloyd Longfield (Guelph, Lib.):** Thank you, Mr. Chair.

A sincere thank you to the executives for coming into what's a difficult meeting and discussion that we're having.

I come to Ottawa from Guelph, where my youth have really charged me with not pointing fingers at other politicians and not pointing fingers to be confrontational, but trying to work on the problem of reducing emissions.

I really appreciate your framing in your discussion, Mr. Kruger, that “Profits and the planet are not mutually exclusive; they're mutually dependent,” but it seems from today's discussion that we're using two different measuring sticks. We're talking about emissions per barrel versus net emissions, but we need to reduce emissions as a country. If we're not getting those net reductions from oil and gas because we're increasing production, we have to find those savings somewhere else. We don't have any savings with the scale of oil and gas.

I think the technical challenge is how we decouple emissions from production. How do we reduce emissions faster than we're increasing production? Is that a fair read on the situation, Mr. Kruger?

**Mr. Rich Kruger:** Yes, I think you framed it very well. It's that, in my view, the world's going to consume a given amount of oil independent of what Canada chooses to do.

**Mr. Lloyd Longfield:** The world aside, Canada has reduction targets.

We have reduction targets, and one way of hitting those targets is to put a cap on emissions. As a government we—and as a party, the Liberal Party—made a commitment to cap emissions. We've been having trouble getting that across the line because production keeps going up, so we're having trouble getting that cap put in place.

Can you talk about the challenge from your side that we're trying to work on together?

**Mr. Rich Kruger:** My view is that the emissions cap is unnecessary regulation. I do support a price on carbon across the economy because I believe that will drive the innovation and the economic incentives, on all of our parts, to continue to improve our business. I fundamentally worry that a cap on emissions, the way it's constructed, will be a cap on production.

I do think and I believe in my heart that, with the technology and innovation of Canadians, we should be a big part of that energy equation for the long term, and I think we can do it in a way Canadians can be proud of.



**Mr. Lloyd Longfield:** Going forward, we have to look at a way of getting that cap in place so you could still have production but at a lower net output of carbon emissions. That's a challenge we can't solve in the two minutes I have left, but I just put that on the table in terms of our discussion.

It is helpful for you to say that having an economic driver, such as a price on carbon, over the long term gives us capital incentives for countries to know what the investment will look like in Canada in the years ahead. Pathways Alliance also supported that, and maybe you can just briefly comment on that as well.

● (1650)

**Mr. Rich Kruger:** You know, maybe my colleagues Jon or Brad, on the Pathways Alliance side of it.... I can comment, but you guys have been very close to it for years.

**Mr. Lloyd Longfield:** Yes, that's fine—in 20 seconds or less, if you could.

Maybe Jon...we haven't heard too much from you.

**Mr. Jon McKenzie:** Sure. I'll take a crack at it. I think we as a company and Pathways have been clear that a carbon tax can work to reduce emissions, but it has to be universally and ubiquitously applied. It can't target one particular industry or segment of the economy. I think the other piece that's important is that there has to be an alternative—

**Mr. Lloyd Longfield:** Thank you. Yes...as we did for a very short period—for two years. To get at a different way of getting home heating oil off the market and trying to help with rural communities, it was a short period to get an incentive or an alternative in place.

To go to Ms. Pierce, the committee right now is talking about the effectiveness of the net-zero accelerator fund. We've been having some debates on that, and we will be having a further discussion on whether that's an effective way of helping businesses reduce emissions. Can you maybe comment on that briefly? I also have a follow-up question to that, Ms. Pierce.

**Ms. Susannah Pierce:** Okay. Thank you.

We're not directly involved in the net-zero accelerator fund, but what I can say is that, when we're looking at making decarbonization investments, they need to be investable. That means, compared to other investments we might make, they need to be investable. If there are ways of actually using funds like that to make that happen, it can accelerate decarbonization.

**Mr. Lloyd Longfield:** Okay. Thank you.

I see the chair making motions.

Thank you, all, for your answers and for your participation.

[Translation]

**The Chair:** Thank you.

We will now begin the third round.

Mr. Kurek, the floor is yours for five minutes.

[English]

**Mr. Damien Kurek:** Thanks very much, Mr. Chair. I appreciate the fact that we can have this conversation today.

I do want to give Ms. Harradence an opportunity to answer, if she could, just very briefly in 30 seconds or so, about the multi-generational benefit that her company's investments will have on local first nations in Alberta's north.

**Ms. Michele Harradence:** Yes, absolutely. You're referring to our Project Rocket.

I have to tell you that the question that was asked was this: Why did we do that? We did that because it was the right thing to do. We did that because it was a fundamental part of our indigenous reconciliation plan.

I can tell you that I was there in Calgary on September 30, 2022, when we announced that project, and I have never seen a more excited and proud group of employees than we had. However, most importantly, we met recently.... Our indigenous advisory committee was in to meet with our board a few weeks ago. Justin Bourque was there—he's part of that—and he spoke to exactly what you just said: the multi-generational impact this has.

One of the chiefs referred to having, in the past, a few thousand dollars per member that he could spend and that number changing to investing in his community to the tune of \$100,000 per member that he could invest in his community. It's just a dramatic impact.

**Mr. Damien Kurek:** I appreciate that.

I'd like to ask Mr. Corson and Mr. Kruger.... The benefit of energy investment is, I think, misunderstood by, certainly, the left-leaning political parties around this table, but in the communities I represent, we have small and medium-sized employers who work diligently and provide services to many oil and gas companies.

I'm just wondering if you could briefly comment, Mr. Corson and Mr. Kruger, about how much your companies are investing in contractors who are, essentially, small and medium-sized enterprises that exist in communities like those I represent.

We'll start with Mr. Corson for 20 seconds or so, and then go to Mr. Kruger.

**Mr. Brad Corson:** I don't have any specific numbers on that, but it is critical for our company and our industry. To deliver reliable energy supply to the communities, we depend on local contractors. We have our own large workforce, but we also employ significant numbers of contractors that probably more than double our workforce. That is one of the key economic benefits of—

**Mr. Damien Kurek:** I hate to cut you off, but it's a short amount of time.

Mr. Kruger.

**Mr. Rich Kruger:** Yes, let me be quick.

We have 16,000 employees. On any given day, we have 28,000 contractors that work at our operations. The vast majority of them are local to where the operation is. It's approaching a 2:1 ratio. The contractor support and the money we spend in that is equal to or typically more than what we pay our own employees.

**Mr. Damien Kurek:** Wow. That's a lot of jobs that the Liberals, the NDP and the Bloc Québécois want to shut down in the communities I represent.

We heard earlier some of the conversation around the regulatory regimes that exist. I'd like to ask this again, Mr. Corson and Mr. Kruger. Is Canada leading the world in terms of the accountability for environmental activities related to the energy sector?

You have five seconds or so. Ideally, give just a yes or no. We'll go to Mr. Corson and then Mr. Kruger.

• (1655)

**Mr. Brad Corson:** I've worked all over the world, and Canada has some of the most stringent regulatory requirements of any place in the world, which is why, when it comes to something like an emissions cap, I think it's unnecessary. There are plenty of other vehicles and requirements in place that create the necessary drives.

**Mr. Damien Kurek:** Just to be clear, do those strict regulations predate the Liberals as well?

**Mr. Brad Corson:** I've only been a part of Imperial for around five years, so I can't comment specifically on that—

**Mr. Damien Kurek:** Mr. Kruger, if you could answer the same thing very quickly—these strong regulatory environments—and if that's something that Canada is known for, including legacies that predate the current government...

**Mr. Rich Kruger:** We have high hurdles in Canada in terms of regulatory requirements, which is fine. One of the challenges we have is that we're laying on regulatory requirement after requirement, which brings about complexity and a burden. It's like playing hockey, but the net's moving. The net keeps moving—

**Mr. Damien Kurek:** If I could just wrap up in my last 15 seconds or so, I want to say this.

While the Liberals seem to want us to freeze in the dark and be poor, I think it's time to support an industry that actually can build our economy and provide the world with the energy we need at a lower emissions rate than our global counterparts.

It boggles my mind how Liberal, NDP and Bloc Québécois members of Parliament can sleep at night when they want to put my constituents out of work.

[Translation]

**The Chair:** Your time is up, Mr. Kurek.

Ms. Chatel, the floor is yours.

**Mrs. Sophie Chatel (Pontiac, Lib.):** Thank you very much, Mr. Chair.

Thanks to the witnesses for being here.

Through Pathways Alliance, many of your businesses have committed to reducing greenhouse gas emissions by approximately 22 million tonnes by 2030. We're also aiming to be carbon neutral

by 2050. However, I must point out that very little capital investment has been made, even though we need capital investment if we want to meet those goals. That being said, governments have nevertheless invested billions of dollars to date.

I know that, in other countries, oil companies such as BP are making massive investments in clean and renewable energy at a rate of \$7 billion to \$9 billion a year.

Mr. Corson, the head of Pathways Alliance told us that uncertainty and a lack of clarity were two of the main barriers to increasing capital investment in decarbonization. That's also Mr. Poilievre's position on carbon pricing. You mentioned that carbon pricing was effective if applied to all sectors.

Do you agree with the position of the head of Pathways Alliance?

[English]

**Mr. Brad Corson:** Let me first say that what we're undertaking with Pathways is an unprecedented level of investment and an unprecedented level of emissions reduction for a sector. In order to make those investments, we need a clear policy that will be sustainable over many decades, because that's the nature of the investments we're making.

I can't comment specifically on the references you made to a Pathways executive, but having the clarity and the sustainability is key to us making these long-term investments.

[Translation]

**Mrs. Sophie Chatel:** So in a nutshell, the fact that Mr. Poilievre and the Conservatives want to abolish carbon pricing is preventing the oil industry from decarbonizing.

Mr. Kruger, Mr. Corson and Mr. McKenzie, are you prepared to invest now and to reduce the short-term profitability of your companies in order to increase long-term viability and competitiveness in a fully decarbonizing world? Are you prepared to do that for your businesses, for investors and for Canadians who work for your companies? Are you ready to do that as other oil companies elsewhere in the world have done?

• (1700)

**The Chair:** Who is that question for, Ms. Chatel?

**Mrs. Sophie Chatel:** I'd like to hear the answers from Mr. Kruger, Mr. Corson and Mr. McKenzie in that order.

**The Chair:** All right. Thank you.

[English]

**Mr. Rich Kruger:** I think we're doing that. We're spending material money. As I referenced, whether it's cogeneration investments, fuel blending, biofuels or energy efficiency, I think we're doing that in a way that is economic, keeps our business strong and can attract capital while, at the same time, reducing the carbon content of what we produce and how we produce it. However, you have to have both. If we can't attract capital, we can't invest capital, and I think some of my colleagues commented on that.

I think we are doing that.

[Translation]

**Mrs. Sophie Chatel:** Thank you.

Mr. Corson, what do you think about that?

[English]

**Mr. Brad Corson:** I would echo that we, as a company, are definitely progressing on many investments. I commented on some of those in my opening remarks: both those that impact scope 1 and 2 emissions and also those that impact scope 3 with our renewable diesel. We need to continue to work this significant challenge together as a joint partnership among industry, the federal government and provincial governments. That's the only way we're going to overcome the significant obstacles associated with this project.

[Translation]

**Mrs. Sophie Chatel:** What about you, Mr. McKenzie?

[English]

**Mr. Jon McKenzie:** I would agree with my colleagues. I think the investment is continuing to decarbonize and the Pathways members are all doing their individual investments as we wait for a financial framework that works for everybody with Pathways, as well as some regulatory certainly.

I know at Cenovus we made a commitment to reduce our greenhouse gas emissions by 35 % by 2035. This year, we've already reduced them by 10 % vis-à-vis the baseline in 2019. I think Brad made a point that's really important.

[Translation]

**The Chair:** We have to stop there. I apologize, Mr. McKenzie, but Ms. Chatel's time is up.

Ms. Pauzé, go ahead.

**Ms. Monique Pauzé:** Thank you, Mr. Chair.

I don't know which one of you said earlier that he was waiting for regulations before taking action. I was a bit surprised at that because, every time it comes down to enforcing regulations, you don't want that and you oppose it.

Mr. Kruger, I'm going to go to you.

In your remarks, you noted the possibility of exporting oil. On that subject, I have one criticism to make of you and the entire industry. You never take into account the fact that oil that's burned generates CO<sub>2</sub> and other greenhouse gases.

Going back to the position of Pathways Alliance, which focuses on reducing emissions from production operations by fitting it into

a carbon neutrality strategy. However, emissions are constantly rising in that sector.

Within the Canadian framework, Canada is aiming to reduce emissions by 40% across all sectors. It's asking the oil and gas industry to cut its emissions by 30%, which is already 10 percentage points less than what's requested of other sectors. We're also told that your sector's goal is to reduce emissions by 16% to 20% between now and 2030. That's a lot less than what other sectors are being asked to do.

How can you commit to cutting your emissions when you aren't investing in that area and are planning to introduce every possible measure to make reductions unachievable?

**The Chair:** Who is that question for?

**Ms. Monique Pauzé:** It's for Mr. Kruger.

[English]

**Mr. Rich Kruger:** Fundamentally, I don't agree with most of what you just said, but rather than going through point by point, I think the challenge is framed wrong. Climate change does not go around a border. It's the climate. It's the globe. If Canada can export cleaner burning natural gas, if it can export lower carbon oil to offset demand that will be consumed elsewhere, that makes the world a better place. I think we're so constrained about focusing on restricting Canada we're missing opportunities.

[Translation]

**Ms. Monique Pauzé:** Mr. Kruger, let me stop you there.

We agree on one thing: CO<sub>2</sub> is emitted when oil is exported or burned. However, you didn't take that aspect into account in your remarks. So these are downstream emissions. That's my criticism of what you're saying.

When I think of floods, droughts, fires, lost farmland, human suffering and human distress, I realize that your industry contributes to all that in large part.

**The Chair:** Thank you.

Now it's Ms. Collins's turn.

● (1705)

[English]

**Ms. Laurel Collins:** Thank you.

Maybe I'll ask Mr. Corson and Mr. McKenzie the same question that I asked Mr. Kruger.

There's a clear analysis that the oil and gas emissions cap is already set at a level that is so low that your companies could simply follow through on your voluntary climate commitments. It's deeply concerning to me that I have heard you actively lobbying against an emissions cap. Either your intention is to delay climate action further so you can maximize your profits, or you never had any intention of fulfilling those climate commitments you made.

**Mr. Jon McKenzie:** As I mentioned before, Cenovus has made a commitment to reduce our emissions by 35% by 2035, and we're well on our road to achieving those targets. I think the comments around the emissions cap are a bit different. What's been said is that we don't need an emissions cap and that all the incentives that are present today are the incentives to reduce our emissions and we've made those kinds of commitments.

**Ms. Laurel Collins:** If it's redundant, why would you lobby against it? You have been promising to reduce your emissions, but your emissions have been going up year after year after year. Why would Canadians trust you?

**Mr. Jon McKenzie:** If you look at the energy industry as a whole, our emissions actually peaked in 2017. Although production has continued to increase, our intensity has actually gone down. As an individual company, I can tell you the same things happen with us. We are down two million—

**Ms. Laurel Collins:** Emissions in the oil and gas sector have continued to rise year after year.

**Mr. Jon McKenzie:** Emissions in the oil and gas industry peaked in 2017.

**Ms. Laurel Collins:** Maybe I'll ask Mr. Corson, given that we've had reports that emissions in the oil and gas sector are going up while other sectors' are going down. Your voluntary climate commitments should already have you on track to meet the low level that's required in an emissions cap. Why are you lobbying against it?

**Mr. Brad Corson:** As I think we've said a couple of times, we don't feel an emissions cap is necessary. We already have significant regulatory incentives and drives in place that are causing us to proactively reduce our emissions. I've cited many examples of how we've done that.

**The Chair:** Thank you. We have to go now to Mrs. Stubbs for five minutes.

**Mrs. Shannon Stubbs:** Thank you, Chair.

My apologies for the intervention earlier. I appreciate your rebuke of me. I do just want to clarify—

**The Chair:** I wouldn't call it rebuking you.

**Mrs. Shannon Stubbs:** Yes, and you are the most polite and diplomatic ever.

I just want to clarify that, of course, what I said to our colleague, MP Collins, is that every single question she's asking these industry representatives she should actually be asking her partners in the Liberal government because they are the ones who are in negotiations with the big multinationals on every single thing—

**Ms. Laurel Collins:** Mr. Chair, I have a point of order.

**The Chair:** What's the point of order?

**Ms. Laurel Collins:** Mrs. Stubbs is referring to my questions about the oil and gas CEOs. I was asking about their lobbying of this government. I think those questions are completely appropriate.

**The Chair:** I don't think that's a point of order, so we'll resume.

**Mrs. Shannon Stubbs:** Yes, what I was clarifying was that, though you asserted that Conservatives were there to help CEOs, it's actually your coalition partners who are in negotiations with the multinationals. You should ask them.

Second of all, I think we can all see that this is not a good-faith, evidence-based, objective attempt to get facts. You can see the absolute disconnect with reality. You can see the absolute lack of knowledge of the different kinds of resources and the technical details, and the really important distinctions between all the kinds of energy resources that Canada is blessed with in order to provide our own energy self-sufficiency and to help lower emissions globally.

You can now see the spectacle where apparently we all sit here and pretend that there are borders that stop emissions. You can now see that there are proponents who are constantly talking about life-cycle analysis and cumulative effects, all of which we would agree with, but they don't apply those standards to any other sector or any other product.

Their policies, their objectives, are absolutely to shut your companies down, to shut down your operations. The Prime Minister said it, and they've shown in every single way over nine and a half years, through policy, through legislation and through messages, that this is their deliberate intention.

My quick question on the emissions cap is to the three upstream oil sands CEOs. How many countries in the world have an oil and gas emissions cap?

• (1710)

**Mr. Rich Kruger:** None that I'm aware of.

**Mrs. Shannon Stubbs:** That's correct. That's it. I don't need to go to the other two. The answer is zero.

The reason is, of course, because of this issue around competitiveness. There's no developed country depending on energy development and resources that, in its right mind, would implement that policy on itself.

I thank our Liberal colleagues for making it clear that the emissions cap is an intended production cap, which is under provincial jurisdiction, and is designed to kill jobs, businesses and all of the work of indigenous communities and Métis settlements. There are almost 30, between me and my colleague, that we represent in the communities where these operations are.

For decades, they have been the highest-capacity, wealthiest first nations and Métis settlements in the entire country. They have been funding their own-source revenue for their own communities out of their energy operations, and they are absolutely going to be crushed—including all of the workers and all of the people we represent—by the collusion between anti-energy activists, politicians, public policy-makers and, frankly, if it is the case, any kind of rent-seeking oligopoly collusion between big government and big corporations.

I would say there cannot be a shadow of a doubt, if you listen to the words of our leader, Pierre Poilievre. He said corporate-esque Canada will not have a free ride with Conservatives. He has said that, if there continues to be footsie with anti-resource, anti-private sector, anti-energy activists, politicians and public policy, we will always get that kind of result. It's very clear, after nine and a half years....

This is how stark the issue is. Here's the truth. In 2014, there was over \$5 billion more investment in Canada from the U.S. than from Canada in the U.S. Here's the reality after nine and a half years. In 2022, there was over \$460 billion more investment in the U.S. from Canada than in Canada from the U.S.

It is very clear that this anti-energy, anti-resource, anti-private sector, anti-capitalist, top-down central planning, economic command-and-control agenda is what this is all about. The consequences are catastrophic for the public interest of Canadians. We are here to fight for them and to represent them, not to be accountable to CEOs or to big companies. That's what Conservatives are fighting for, because we represent the people, the communities, the first nations, the Métis people and the 90% of oil and gas companies in Canada that have fewer than 100 employees. We do it because they're all small businesses.

Do you know what they all depend on? They all depend on the projects and the business from your companies. That's the truth about how all of this works.

**The Chair:** Okay.

We'll have to go to Mr. Weiler now.

**Mrs. Shannon Stubbs:** Please make sure that you submit a written follow-up to every question you've been asked and to correct any facts you need to.

**The Chair:** Mrs. Stubbs, we have to go to Mr. Weiler.

Mr. Weiler, you have the floor.

**Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.):** Thank you, Chair.

You'll have to excuse me. I am having a hard time taking the member opposite seriously when I know her husband is lobbying for Enbridge on this matter.

To the witnesses who are here today, in the last two years, the top four oil sands companies made \$59 billion in profits. As it was mentioned by Mr. Kruger, record profits were made. However, the Pembina Institute notes that there were no new investments in emissions reductions. Of your cash flow, 75% was redistributed to share buybacks and dividends. In 2022, only 0.4% actually went into emissions reductions.

At present, Canada is offering a 50% investment tax credit for carbon capture projects, and Alberta has now proposed 12% on top of that. These investments are eligible going back to 2022, in Canada's case.

I just need a number, perhaps from Mr. McKenzie. What percentage of this project are you expecting the public to cover?

**Mr. Jon McKenzie:** We've been really clear as an industry that we're willing to invest in carbon capture and sequestration. I think I said in my opening remarks that we're about 25% of the existing GHG emissions in Canada.

**Mr. Patrick Weiler:** Thank you, Mr. McKenzie. I just need a number.

**Mr. Jon McKenzie:** I don't think the numbers we're talking about are out of line with the numbers you talked about. I think the piece you're missing is the operating costs that go with it. It's not only the capital investment up front, but also the operating costs that go with carbon capture and sequestration.

**Mr. Patrick Weiler:** Thank you, Mr. McKenzie.

The overwhelming majority of your companies are foreign-owned. Mr. Corson, of your company, Imperial, only 21% of your company is Canadian-owned.

Why do you think it's fair that Canadians should foot this percentage of the project, 50%—when we were running an estimated \$50-billion deficit last year, when your companies are making record profits—in order to clean up emissions coming from your projects and when 79% of the benefit from it could be going out of the country?

• (1715)

**Mr. Brad Corson:** The benefit of decarbonization helps everybody. That's what we're focused on.

This project is unprecedented. It will allow us to significantly decarbonize our operations in the near term, and in the long term to achieve net zero by 2050. At the same time, it will allow us to continue to produce oil that Canadians need and desire, because it is beneficial to their standard of living. It brings jobs and significant royalty and tax revenues that are important to balance the budget of Canadians. When the oil industry is successful and profitable, then everybody wins.

**Mr. Patrick Weiler:** Thank you, Mr. Corson.

In the last year and a half, the five companies that are represented here today have lobbied the Government of Canada on average each calendar day. While I really appreciate everybody appearing virtually, you're not here today to speak about that, in spite of having this number of lobbying meetings.

We do have in the crowd people who today shared their stories of how their lives were turned upside down by climate-fuelled disasters—whether that's wildfires burning down homes, floods making homes completely uninhabitable or homes literally being incinerated in 10 to 15 minutes.

Mr. Kruger, my question to you is this. What would you like to say to those folks here today who have been deeply impacted by the burning of fossil fuels that your company and the companies represented here are disproportionately responsible for?

**Mr. Rich Kruger:** I think you're making the point I made earlier. Canadians nationwide expect business leaders and political leaders to work together to benefit Canada with this tremendous endowment of resources we have and to do it in the right way that benefits Canadians and the globe.

Quite frankly, that was what I had to say in my opening comments.

**Mr. Patrick Weiler:** Thank you, Mr. Kruger.

I think I'll just end on this. What I hear from my constituents all the time is that they're tired of being lied to by the fossil fuel sector. They're tired of seeing the greenwashing that's out there. Frankly, that's why we put forward changes to the Competition Act, which are going to require you to provide evidence when you make these kinds of environmental—

**Mrs. Shannon Stubbs:** You bought a pipeline.

**Mr. Patrick Weiler:** —statements.

What we've heard today makes it so abundantly clear why we need an emissions cap.

**The Chair:** Mr. Weiler, your time is up.

I've had a request from Mr. Morrice to ask some questions. I would need UC.

Do I have UC to allow Mr. Morrice some time?

**Mr. Dan Mazier (Dauphin—Swan River—Neepawa, CPC):** Can I ask a question, Mr. Chair? This is just a clarification.

As long as it doesn't take away from the main committee, can we add two and a half minutes to the length of the total committee? He'll be last after the Liberals.

**The Chair:** We only have 12 minutes left. We've finished three rounds.

**Mr. Dan Mazier:** It'll be 15 minutes. We'll just add them on after.

**Ms. Laurel Collins:** Mr. Chair. I think you have unanimous consent to add two minutes to our committee meeting.

**The Chair:** I've been told I have a hard cap.

Do we mind if Mr. Morrice asks...? Do we have unanimous consent?

**Some hon. members:** Agreed.

**The Chair:** The last round will not be a five-minute round. Otherwise, it will go way over.

**Mr. Adam van Koeverden:** Was it meant to be?

**The Chair:** Yes, we have five-minute rounds.

What I'll do for the last round is I'll just cut it—

**Mr. Dan Mazier:** Hang on. That's what I was getting at. We don't want to shorten this committee for all of the members around here.

We would like to add to the total time. Mr. Morrice gets his two and a half minutes, but we would just add that on to this, so everybody gets what—

**The Chair:** Do you want a five-minute round?

**A voice:** Yes.

**The Chair:** We will ask our witnesses to stay a few extra minutes. I'm sure it won't be a problem.

I can give Mr. Morrice five minutes. Is that okay?

**Mr. Dan Mazier:** As long as it's at the end....

• (1720)

**The Chair:** The committee has to decide.

**Mr. Dan Mazier:** Two and a half minutes is what he had originally asked for.

**The Chair:** Is that what you asked for, Mr. Morrice?

**Mr. Mike Morrice (Kitchener Centre, GP):** I'll take five minutes if I'm given it.

What kind of negotiation is this?

**Some hon. members:** Oh, oh!

**The Chair:** Can I make the decision and in the democratic spirit give Mr. Morrice five minutes, and everybody else will get five minutes?

Mr. Morrice, take five minutes, please. Then everybody else will get five minutes.

Go ahead.

**Mr. Mike Morrice:** Thank you, Chair.

I want to start by recognizing that, last year, there were 185,000 square kilometres of wildfires across the country. That, along with flooding and all the rest of what we're experiencing in the climate crisis right now, is reflective of a 1.1°C rise in global average temperatures. We're on track for 3.2°C by the year 2100.

What I've heard from the executives who've joined us this morning is that there's no need for an emissions cap. There's no need for a windfall tax on their excess profits. There's no need for any regulation. They have it all covered when, as we heard from Mr. van Koeverden, their emissions are rising considerably on an absolute basis, as well as a per-barrel basis.

Mr. Kruger, my question is for you.

You personally made almost \$37 million last year. Your company made \$9 billion in profit in 2022. You've said, "I very much believe in making money. We are in the business to make money and as much of it as possible". You've also said you're concerned that "We have a bit of a disproportionate emphasis on the longer-term energy transition".

My question for you is not a rhetorical one. If you could leave a message like a time capsule recording for Canadians living in the year 2100, in the midst of climate catastrophe, what would you say to them?

**Mr. Rich Kruger:** First of all, I joined this company at a time when employees and contractors were getting hurt. The company was grossly underperforming. My mission was to ensure people are safe each and every day, and that we could perform up to the standards of our shareholders and, quite frankly, the province and the federal government. The premise behind a company being profitable so it can afford to invest, including in decarbonization.... I stand by my words. I believe everything I've said before. It's not one or the other. It's both. If you have an unprofitable sector, you can't invest in decarbonization.

We'll get the climate from whatever happens in the rest of the world. I think Canada can and should be part of that solution. I'm betting on Canadians and Canadian companies to do that.

My message for 2100 would be, "Bet on Canadians. Bet on Canada and put us to work to be part of the solution."

**Mr. Mike Morrice:** To be clear, the question was what you'd say to them in 2100 as they're in the midst of the climate catastrophe that your emissions are leading us toward. I'll also note that, when it comes to safety in the workplace, we had six workers from Sun-cor die since 2020.

Maybe I'll offer the question to Mr. Corson.

Mr. Corson, of course there are significant concerns about the practices of your company with respect to the Athabasca River, but I'll offer the same. If you were to make a comment to Canadians in 2100, what would you say to them in the midst of climate catastrophe?

**Mr. Brad Corson:** I would hope those citizens would be reflecting back on the prior 100 years and be proud of the actions industry took in collaboration with the federal government and the provincial government to decarbonize and—at the same time—to grow the economy and the standard of living for—

**Mr. Mike Morrice:** Excellent. Thank you, Mr. Corson.

Let me ask you the question directly, in terms of the pride Canadians will feel in the year 2100. Do you support an excess profit tax on the profits of your company above a billion—say a 15% tax on profits above a billion? Do you support that, yes or no?

**Mr. Brad Corson:** No.

**Mr. Mike Morrice:** Great.

Do you support an emissions cap?

**Mr. Brad Corson:** No.

**Mr. Mike Morrice:** Do you support any additional regulatory measures by the Government of Canada at a time when your industry's emissions are going up, yes or no?

**Mr. Brad Corson:** We have sufficient regulatory framework in place to continue to drive—

**Mr. Mike Morrice:** I think that's the time capsule right there. Let's put that in and leave it for Canadians in 2100.

I think what this demonstrates is that it's going to be up to parliamentarians around this table to come together to find some solutions, because we're hearing very clearly that the solutions are not going to come from the CEOs who appeared as witnesses this afternoon.

• (1725)

**Mr. Brad Corson:** I think you need to judge us by our actions. You'll see continued reductions in our emissions. That's what we're working towards every day.

**Mr. Mike Morrice:** I'm judging you by the actions with respect to the Athabasca River. I think the police should be judging those actions.

**Mr. Brad Corson:** We've had no impact on the Athabasca River, to be very clear.

**Mr. Adam van Koevorden:** Wow.

[Translation]

**The Chair:** Mr. Morrice, your speaking time is up.

[English]

**Mr. Mike Morrice:** Thank you, colleagues.

Thank you, Chair.

[Translation]

**The Chair:** We will now begin the final round of questions.

Mr. Kram, you have the floor for five minutes.

[English]

**Mr. Michael Kram (Regina—Wascana, CPC):** Thank you very much, Mr. Chair.

Thank you to the witnesses for being here today.

My question is for all of the witnesses. Whoever wants to jump in and answer can feel free to do so.

Part of the reason we are here today is to discuss the profitability of the oil and gas sector. I wonder if the witnesses can explain to the committee what has been happening to global demand for oil and gas over the last few years since the end of the pandemic and how global demand relates to the profitability of Canadian oil and gas companies.

**Mr. Jon McKenzie:** Demand for all hydrocarbons has been growing. Depending on who you believe, demand for oil this year will grow somewhere between 1.2 million and 2.2 million barrels. Demand for natural gas typically grows at about seven billion to eight billion cubic feet per year. That doesn't necessarily translate into profitability for Canadian oil and gas because the other requirement we have is egress to those markets. Without egress, our product typically gets landlocked and discounted.

With the start-up of the TMX pipeline, we've seen us getting much closer to global pricing for our oil. I'm hopeful that, with the start up of LNG Canada, we'll start to see improved gas pricing for producers there as well.

**Mr. Michael Kram:** Over the last few years, China has continued to build hundreds of new coal-burning plants.

Could Canadian oil and gas companies contribute to a reduction in global emissions by increasing Canadian oil and gas exports to China and to other countries?

**Mr. Rich Kruger:** I believe so.

**Mr. Michael Kram:** Mr. Kruger, can you elaborate on that a little?

Can you speak to the emissions that come from a typical Chinese coal-burning plant compared to the Canadian oil and gas sector?

**Mr. Rich Kruger:** If you look at the energy sources and at the seriatim of carbon intensity, coal would be at the higher end of that. Here in Canada, coke-fired boilers would be at the higher end of that.

As we go to fuel switching—to natural gas, in our case, or providing clean-burning natural gas to China that displaces the need to build coal-fired plants—you are reducing the intensity of the global energy grid. This is a global challenge, not a local or country-by-country challenge.

**Mr. Michael Kram:** I recently met with management and the union of Evraz North America, which operates a steel mill just north of Regina. They've experienced quite a lot of layoffs recently. They would love the opportunity to build more pipelines for this country.

Why doesn't the private sector build more pipelines in this country?

That's for anyone who wants to jump in.

**Ms. Michele Harradence:** We've talked quite a bit about the regulatory challenges and hurdles that come from investing in the country. In particular, linear infrastructure such as ours faces many years and many levels of regulatory hurdles in order to get in the ground and start delivering and providing that egress that Mr. McKenzie spoke to.

That's the fundamental reason.

**Mr. Michael Kram:** Can witnesses share with the committee what they feel would happen to global emissions if the oil and gas sector and the oil sands in Alberta were shut down tomorrow?

Mr. Kruger.

**Mr. Rich Kruger:** If Canadian oil and gas were shut down tomorrow, I don't think global emissions would improve. The oil and gas would just come from other jurisdictions—jurisdictions that would have a variety of carbon content and certainly a much lower standard of ESG in general.

I believe that because I've worked in many of those countries.

**Mr. Michael Kram:** Can some of the other witnesses say whether they agree with that last answer?

• (1730)

**The Chair:** We have 10 seconds.

**Mr. Brad Corson:** I agree completely.

**Mr. Jon McKenzie:** I would agree as well.

Global demand for all forms of hydrocarbons continues to grow. We've said for a long time that those barrels should best come from Canada, where we produce the most responsible barrel globally.

**Ms. Michele Harradence:** Enbridge completely agrees as well, so I would agree as well. Thank you.

[*Translation*]

**The Chair:** Thank you.

Mr. van Koeverden, the floor is yours for five minutes.

[*English*]

**Mr. Adam van Koeverden:** Thank you, Mr. Chair.

I would like to follow up on that, if I could.

I'm looking at a graph I used earlier. Canadian oil sands have an emissions intensity, on average, of about 174 kilograms of CO<sub>2</sub> per barrel. In Mexico, Cantarell, for example, has 40 kilograms per barrel CO<sub>2</sub> emissions.

If we were to take the exact same number of barrels away from the oil sands, if we were to shift all of that production of crude oil to Mexico and reduce the average emissions intensity per barrel by that amount, how can every witness on the committee today agree that emissions would go up, if the most emissions-intensive barrels of oil—and I'm just talking about the oil sands here—were replaced by lower emitting barrels? Could somebody please explain that to me?

**Mr. Rich Kruger:** Yes, I'll comment.

Your premise, your suggestion, is that shutting down the oil sands makes the world a better place. I don't subscribe to that theory because I think of what we're doing on—

**Mr. Adam van Koeverden:** For clarity, Mr. Kruger—I'm sorry but I have limited time—I was not suggesting shutting down the oil sands. However, if we could improve the emissions intensity—

**Mr. Rich Kruger:** I thought that was the basis of your question.

**Mr. Adam van Koeverden:** Yes, if we can improve the—

**Mr. Rich Kruger:** I thought that was the basis of your question. I thought you started it by, if you shut down the oil sands, doesn't it come from somewhere else? I'm sorry, my misunderstanding. I'll let you clarify.

**Mr. Adam van Koeverden:** What I said was that, if we were to move production from one place to another...and just oil sands, okay? We're just talking about the oil sands, not Canadian energy production. You said we should bet on Canadians, and I 100% agree. I would like to bet on the Canadians who were working in the solar and wind that you sold off from Suncor.

I'd just like to address a couple of things before I move on. Mr.—

**Mrs. Laila Goodridge:** I have a point of order.

**The Chair:** Is there a point of order, a good point of order?

**Mrs. Laila Goodridge:** I welcome the member to come and actually tour an oil sands company.



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

**Mr. Adam van Koeverden:** Mrs. Goodridge, as I've said, I've been to Fort Mac and I've toured an oil sands project.

**The Chair:** Okay. We'll resume.

**Mr. Adam van Koeverden:** Thank you—

**Mrs. Laila Goodridge:** Which one? Which oil sands company did you tour?

**Mr. Adam van Koeverden:** I'm not actually—

**The Chair:** Through the chair, please. That's why they say “through the chair”, so we don't get into arguments.

**Mr. Adam van Koeverden:** Thank you very much, Mr. Chair.

I'd like to just resume by addressing some things that I've noticed on this committee today. There are members—

**Mrs. Shannon Stubbs:** You visited Epcor. It wasn't an oil sands company, to be clear.

**Mr. Adam van Koeverden:** I'm proud that every single MP can appear at a committee. I think it's really very important. I find it disheartening that members who have oil and gas lobbyists in their families arrive here to have conversations with the oil execs their partners lobby. That's really very challenging, from an ethics perspective, for me.

I also have a challenge with Mr. Corson saying there's been no impact—

**Mrs. Shannon Stubbs:** I have a point of order, Chair. Can I just ask about the rules—

**The Chair:** We'll take a little time out for a point of order.

Mrs. Stubbs.

**Mrs. Shannon Stubbs:** Yes.

Can I just ask you a question? What are the parameters within committee in the case of members getting very close to defamation, which a tax lawyer and accountant might want to pursue?

**Mr. Adam van Koeverden:** I didn't say his name.

**Mrs. Shannon Stubbs:** Yes, you did. You said my husband earlier, so we're not going to play that game.

**The Chair:** Just a second, that's an interesting question.

**Mr. Adam van Koeverden:** I did not say your husband.

**Mrs. Shannon Stubbs:** Yes, you did. You started off in your first round, when you talked about my husband.

**Mr. Adam van Koeverden:** It wasn't me.

**An hon. member:** It wasn't him.

**An hon. member:** Yes, you did.

**Mrs. Shannon Stubbs:** Was it Patrick Weiler?

**An hon. member:** Yes, it was.

**Mrs. Shannon Stubbs:** Yes, you did. You said it, and it's on record.

Chair, that's just my question.

**The Chair:** What's your question?

**Mrs. Shannon Stubbs:** If a tax lawyer, who is also an accountant and a principal of a business, who is a silver medallist and clerked at the Tax Court of Canada and wrote many precedent decisions...? If a member was here making comparisons or assertions about the person's role or job, what are the rules around whether or not those would be actionable?

**The Chair:** I don't know. I would have to consult legal services.

**Mrs. Shannon Stubbs:** Okay. We'll follow up later maybe.

**The Chair:** Let's just maybe veer away from—

**Mrs. Shannon Stubbs:** Certainly all Albertans are definitely proud of the groundbreaking, pioneering lifeline of investment to the indigenous communities and all those local communities on that groundbreaking project.

**The Chair:** Let's stick to emissions.

Mr. van Koeverden.

**Mr. Adam van Koeverden:** Thanks, Mr. Chair.

Those concerns remain. I also have concerns about some things that have been said on this committee. There are proven impacts from—

**Mrs. Shannon Stubbs:** You just said you didn't say those concerns.

**Mr. Adam van Koeverden:** There are proven impacts from Imperial Oil on the Athabasca River. That is irrefutable, Mr. Chair. Emissions from the oil and gas industry in Canada did not peak in 2017. They have continued to go up.

I'd also like to point out—it was glossed over earlier—that some of these companies are actually lobbying against paying tolling fees on the pipeline that will get their product to market.

I have a question for Mr. Corson.

Mr. Corson, you said earlier you would like to put your money where your mouth is to reduce the carbon intensity of your operations. I think that's great. Again, I want to say that I want to bet on Canadians when it comes to both renewables and lowering the carbon intensity per barrel of Canadian oil and gas, because you're right, it does have a higher ESG focus than other places.

Mr. Kruger, if you could elaborate on this. I know that another big expenditure of oil and gas companies is advertising. There's legislation before the House to look into some of the advertising of oil and gas companies, public and government relations. Mr. Kruger, could you compare for us the approximate amount of money that is spent on decarbonization from Suncor and on advertising for public and government relations in your company?

• (1735)

**Mr. Rich Kruger:** I would say that this year we're probably spending several hundred million dollars on decarbonization, and probably on advertising it's closer to maybe \$10 million, something like that.

**Mr. Adam van Koeverden:** It's only \$10 million on advertising, public relations and government relations?

**Mr. Rich Kruger:** Yes, Canadians like our Petro-Canada site, so they tend to go there.

**Mr. Adam van Koeverden:** Okay. That's great. Thank you very much.

Mr. Chair, I just want to state towards the end of my questioning here—I'm not sure when the timer was stopped—that I 100% believe that Canada should continue to develop our exceptional energy reserves. I want to be proud of them. I'm on team Canada, since I've been accused of maybe not being. I'm 100% on team Canada. I want to be proud of what natural resources we are able to get to market.

However, Canadians aren't proud of a product that is seven times dirtier, seven times more carbon-intensive and that's contributing to more than 12% of Canada's total emissions. The oil sands in Canada are responsible for more emissions than are the entire provinces of Ontario and Quebec combined. That includes the daily activities and all the industry in both provinces.

We have a lot of work to do, and the oil sands, unfortunately, are headed in the wrong direction, as I pointed out earlier. Oil and gas emissions from the oil sands are going up, not down, and we need help to get them down.

[Translation]

**The Chair:** Your time is up, Mr. van Koeverden.

Ms. Pauzé, go ahead.

**Ms. Monique Pauzé:** Do I have five minutes?

**The Chair:** No, you have two and a half minutes.

**Ms. Monique Pauzé:** Thank you, Mr. Chair.

I have a preliminary remark that I'd like to make. Earlier, in response to a question from Mr. Kram, the industry people said that it would be better for Canadian oil to be used everywhere because we have a good regulatory framework. However, I've constantly heard them criticize the regulatory framework over the past two hours. So I'm somewhat surprised.

I have a question for Ms. Harradence, from Enbridge.

We understand from what we can see on your website that your company has invested approximately \$10 billion in renewable energy and infrastructure projects since 2002. So that's an average of \$500 million a year. It's not great, but it's still something. Again according to your website, the projects concerned are currently operating or in development. I'd like to get some specific details on that.

The projects featured on your site comprise 23 wind farms and 14 solar farms. Can you tell me where they are located, how many of them are in operation and for how long they've been operating?

[English]

**Ms. Michele Harradence:** I can provide you with the specific details afterwards, but they are across North America and offshore in Europe, so they range from here in Ontario down to Texas. The most recent is on the solar side, our Fox Squirrel assets, which we added in Ohio. Just for clarity, that's \$10 billion that we've invested since 2002 in renewable energy projects. In more recent years, and most recently, we've invested over a billion dollars in renewable natural gas, whereby we take gas from landfills and capture that.

[Translation]

**Ms. Monique Pauzé:** I see. I don't want us to start discussing renewable natural gas because that would be the topic of a completely different discussion.

I have a question for Mr. McKenzie.

Mr. McKenzie, your company states on your website that its goal is to make a considerable contribution to meeting Canada's target of reducing emissions by 30%, by cutting 30 megatonnes of greenhouse gas emissions by 2030. According to The Energy Mix, which is a media outlet that reports news from your industry, Cenovus has set an ambitious goal of net zero emissions and has committed to reducing its carbon intensity by 30% between now and 2030.

We don't have a lot of time, Mr. McKenzie. Are we talking about a goal or a commitment? Is it an emissions reduction or a per-barrel intensity reduction? Is it 30 megatonnes or 30%? They aren't the same thing.

• (1740)

**The Chair:** Your time is unfortunately up, Ms. Pauzé.

Ms. Collins, go ahead.

[English]

**Ms. Laurel Collins:** Thank you, Mr. Chair.

It's pretty disturbing to hear the lack of accountability from Imperial Oil. They're saying that there's been no impact on the Athabasca River. The reality is that Imperial's Kearl pond seeped 5.3 million litres of toxic waste into communities that already have disproportionately high rates of bile duct cancer. I sat down with the Mikisew Cree First Nation and heard stories about how they all have family members and friends who have been diagnosed with cancer. It is deeply concerning to me.

I also want to take a moment just to note that Mrs. Stubbs talked about stopping the collusion between elected officials and CEOs. We have heard accusations that her husband is a lobbyist for Enbridge and she's now here asking questions of that same company. It seems like the Conservatives continue to run interference for their friends in big oil. They continue to cheerlead the fuelling of the climate crisis.

I'm just a little bit shocked from what I have heard, both from the CEOs today and from Conservative MPs. It is time to tackle the climate crisis with the urgency and at the scale that matches the emergency that we are in.

I want to maybe give Imperial Oil a moment to speak to the impact that it has had on first nations communities that have disproportionate rates of cancer in their communities because of your tailing ponds.

**Mr. Brad Corson:** Thanks for the opportunity to clarify what is a significant amount of misinformation that you and others have shared.

The Kearn seepage incident is very unfortunate. I have appeared before this committee two times to talk about all of the actions that we are taking to mitigate that, and all the actions we are taking to prevent its recurrence and certainly the impacts to the indigenous communities.

However, we have significant data that demonstrates that there has been no impact to the Athabasca River and similarly—

**Ms. Laurel Collins:** The Mikisew Cree First Nation has been asking for a health study for nearly two decades.

If you felt some level of responsibility for the pollution that you're putting into the water, would you not fund that health study or at least give them the funds to do an independent study of their own?

**The Chair:** The time's up.

We will go to Mr. Deltell for five minutes.

[*Translation*]

**Mr. Gérard Deltell:** Thank you, Mr. Chair. I yield the floor to Mr. Mazier.

[*English*]

**The Chair:** Mr. Mazier, go ahead.

**Mr. Dan Mazier:** Thank you, Chair.

Thank you to the witnesses for coming out here today.

This has been a very engaged, emotional and impassioned debate. I think everybody got their chance to have their say. Maybe we don't agree on a lot of different data points, but it was a very good discussion. I think we have a lot better understanding of what's really going on with this industry, especially when it comes to energy.

You know, there's an old saying that energy should not be idolized or demonized, and I'm a firm believer of that

What I'm asking the committee here.... There was a motion that was tabled on April 11. Notwithstanding the motion that was adopted by the committee on Thursday, April 11, 2024, that we ask Scott G. Stauth, president of Canadian Natural Resources Limited; Darlene Gates, CEO of MEG Energy; and Ryan Lance, CEO of ConocoPhillips, to appear for one hour at a future meeting.

The reason we're asking them is that they are the other people from the Pathways Alliance that are missing. I think this would complement the NDP's motion that was originally put on the table

to talk about Pathways. I don't think we had a good enough discussion about that today, honestly.

I don't know if any of the other committee members want to comment on that.

**The Chair:** Mr. Mazier, are you moving a motion?

**Mr. Dan Mazier:** I'm amending that motion.

**The Chair:** What motion are you amending? There's no motion on the table.

**Mr. Dan Mazier:** It's the motion from April 11.

**The Chair:** You have to move that motion.

**Mr. Dan Mazier:** I tabled it, so I want to amend it now.

**Mr. Lloyd Longfield:** You can't amend a motion that's already passed.

• (1745)

**Mr. Dan Mazier:** I'm just looking for UC.

**Mr. Lloyd Longfield:** On a point of order, you can't amend a motion that has already been passed.

**The Chair:** Hold on for just a second.

**Mr. Dan Mazier:** You're right, Chair. I'm asking for UC.

**The Chair:** The notice was given, but the motion was never moved.

**Mr. Dan Mazier:** That's correct.

**The Chair:** It's not a very complicated matter.

Do we have UC to invite....? Is it five more companies?

**Mr. Dan Mazier:** It's three.

It's three to appear for an hour for a meeting in the future. It's open.

**The Chair:** Do we have UC?

**An hon. member:** Yes, I mean in the future. We are not going to try to fit it in here—

**The Chair:** Yes, we're not going to fit it in here, but in principle, in the future do we have agreement to invite three more companies?

[*Translation*]

**Mrs. Sophie Chatel:** Have the companies been named?

**The Chair:** Would you please name them?

[*English*]

**Mrs. Shannon Stubbs:** They're the three other companies involved in Pathways.

[*Translation*]

**The Chair:** Do you have anything to add, Ms. Chatel?

**Mrs. Sophie Chatel:** Yes.

I see that oil companies elsewhere in the world have made massive investments in order to carve out a position in the economy of tomorrow. By comparison, I believe our companies lag far behind their competitors. Consequently, I'd like to invite representatives from BP, for example, and from three other companies because it would be interesting to get a slightly more international perspective.

**The Chair:** All right.

[*English*]

Would you mind if we added BP to that, to those three, and make it four, and then we'll have UC?

**Mr. Dan Mazier:** They're not members of Pathways. That's the problem. We're just complementing this NDP motion.

**The Chair:** You haven't really moved your motion. You were just asking for UC.

**Mr. Dan Mazier:** I'm asking for UC.

**The Chair:** Do we have UC to to invite these three companies?

[*Translation*]

Go ahead, Ms. Pauzé.

**Ms. Monique Pauzé:** I'd like to add something before committee members give their consent. A study is under way; it's the one on sustainable finance, which will be the focus of our fourth meeting on June 13. Five will be left after that. It seems to me we're always postponing business.

**The Chair:** So we don't have UC to invite three more companies.

**Ms. Monique Pauzé:** Actually I'm mainly considering the time aspect.

**The Chair:** I understand.

**Ms. Monique Pauzé:** I'm can't wait for us to wind up all work on this issue.

**The Chair:** Then you don't agree that we should invite other witnesses because that would take up time.

[*English*]

**Mr. Adam van Koeverden:** I have a point of order, Mr. Chair.

**The Chair:** Just a second.

Go ahead, Ms. Collins.

**Ms. Laurel Collins:** I was just going to say that it seems like this motion doesn't pick a date, so as long as we can do it after Madame Pauzé's study is over...

**Mrs. Shannon Stubbs:** It seems odd given that our other colleagues and proponents here are so urgent about this issue and wanted these urgent answers. We're just trying to help to remedy and contribute to the motion.

**The Chair:** I understand, but I don't want to spend too much time on this.

**Mrs. Shannon Stubbs:** It doesn't really make sense to talk about Pathways and not have all the companies represented. How about the companies that are a part—

**The Chair:** We don't seem to have UC.

**Mrs. Shannon Stubbs:** I think if it's very urgent for all of them to get the answers....

**The Chair:** We don't seem to have UC.

**Mr. Adam van Koeverden:** Mr. Chair, on a point of order, earlier in the meeting we were discussing whether or not we had an extra two and a half or five minutes for Mr. Morrice, and it was like, "Oh, maybe we don't have enough time."

Now we're discussing this. This is a really good thing to discuss. It's very important, but I think time and place.... These are five very busy CEOs.

**The Chair:** Can we come back to this? Can we just finish this round and then come back to it?

We have some housekeeping matters to do. Can we do that?

You haven't moved your motion. You haven't even moved your motion.

**Mr. Dan Mazier:** I thought it was just timely because we were having the Pathways conversation.

**The Chair:** I understand, but we want to finish this round of questioning so that we can let the witnesses go.

**Mr. Dan Mazier:** I'm just asking for a possible future meeting.

**The Chair:** Anyway, I think we're going to move—

**Mr. Dan Mazier:** Can I just move it and be done with it? I think we're in agreement—

**The Chair:** I don't think we're in agreement. That's the thing.

We've spent a lot of time on this. We're going to go to the last five minutes of this round. Then we'll let the witnesses go and we can revisit this idea.

[*Translation*]

Go ahead, Ms. Chatel. I believe you want to share your time with Ms. Taylor Roy, if I'm not mistaken.

**Mrs. Sophie Chatel:** Yes, I'm going to share my time with her, Mr. Chair.

I'd like to ask Ms. Pierce a question.

I know that Shell has done a complete 180 on its climate commitments. It has been reported that Shell sold \$200 million worth of phantom carbon credits and then abandoned its climate goal for 2035. It also recently announced that it was selling part of its renewable energy portfolio in order to focus on fossil fuels.

Consequently, what proof can you offer the committee and Canadians to show that you're really committed to the fight against climate change and that you're prepared to invest with us, the federal and provincial governments, to invest taxpayer money in order really to decarbonize your company and industry?

• (1750)

[English]

**Ms. Susannah Pierce:** Thank you for the question.

We have a very clear energy transition strategy and very clear targets, which I mentioned before. Specifically, when you think about scope 1 and scope 2—the emissions when we produce energy or the emissions caused by procuring things like power—we've made a commitment to reduce that by 50% by 2030. We're 60% of the way there.

Uniquely, also, we have a scope 3 target. Scope 3 is the customer's emissions. If you buy petroleum from our station, you emit those. We have a commitment to reduce the carbon intensity of scope 3, again, by 15% to 20% by 2030. We also have a commitment to reduce 15% to 20% absolute by 2030.

[Translation]

**Mrs. Sophie Chatel:** Thank you very much, Ms. Pierce.

[English]

Actions speak louder than words. It's sad to say, but we look forward to more action.

I'll cede my time to Ms. Taylor Roy.

**Ms. Leah Taylor Roy:** Thank you very much.

Again, thank you to the witnesses.

I want to be clear. You spoke about a lot of good, while answering the questions opposite, regarding how you have helped indigenous communities near where you operate. I noticed that, even though this meeting is not about investment in indigenous communities, you had all of those numbers. However, you didn't have any numbers on your investments in net zero. As a very profitable sector of our economy, undoubtedly, you've done a lot of good, and I think Canadians thank you. Many jobs have been created. There's been much good done, and you've helped your communities.

However, that's not what we're questioning. It's the fact that, for 50 years, we've known the product you produce is contributing to the climate crisis. Given that you've done a lot of good, it seems there's now a lot of clarification around what should be done and when it should be done. We're waiting for a framework. You're all able to begin investing much more in emissions reduction. You collectively make up 31% of emissions in Canada, but you're less than 5% of the GDP. Most of the money goes outside of this country. We have our commitments as a country, and you are part of that economy. What are you going to do?

I would like, again, to hear from you that you will table the plans you and your boards have approved to get to net zero, including current and planned investments going forward.

Thank you.

**The Chair:** Was that a question or just to reiterate?

**Ms. Leah Taylor Roy:** I'd like to hear from—

**The Chair:** No, I understand.

It's also reiterating the request to send follow-up documentation that answers Ms. Taylor Roy's question. Who would like to take a stab at that question?

**Mr. Brad Corson:** Mr. Chair, I would comment that we have already provided our “Advancing Climate Solutions” report to the entire committee. If you study that report, it lays out a clear road map of the investments we have made and that we have planned.

As an example of ones we have made, we are building, right now, Canada's largest renewable diesel facility, which will result in a significant reduction in scope 3 emissions. I also commented how we just started up and announced first production at a new operation at Cold Lake that uses the latest technology employing solvents to reduce the greenhouse gas intensity of those barrels by 40%. I use this to illustrate two examples of many that are in our road map.

**Ms. Leah Taylor Roy:** I appreciate the examples. However, what I asked for were detailed plans to get to net zero and meet your goals of 2030 and 2050, not two examples.

Your emissions are still going up. We'd like to see the plans, please.

[Translation]

**The Chair:** Your time is up, Ms. Taylor Roy.

That being said, we would ask witnesses to provide the committee, in writing, with information detailing their plans to reduce greenhouse gas emissions.

We have to stop here.

Witnesses, thank you for being with us for this discussion, which was quite robust at times. I think you have made us more knowledgeable on this issue. So thank you very much and good evening to you. We will see one another again at another time.

• (1755)

[English]

Colleagues, I have a couple of housekeeping things to take care of.

We adopted Mr. Mazier's motion to have a meeting on June 11 on net zero—a two-hour meeting with one hour in camera. We agreed that certain confidential documents would be made available for consultation at a location to be determined. It looks like it's going to be hard to amass all of those documents by the 11th, so what is being proposed—I discussed this with Mr. Mazier—is that we do that meeting not on the 11th but on the 18th. We're delaying a week to make sure we have all the documents.

I can't imagine anyone disagreeing with that. It means a two-hour meeting on the 11th and a four-hour meeting on the 18th, rather than a four-hour meeting on the 11th and a two-hour meeting on the 18th.

[Translation]

We would just be delaying it by a week; that's all.

Are we in agreement?

[English]

**Mr. Dan Mazier:** Yes, but just for clarification, we have...with a guarantee. The indication is that we want to make sure we have this meeting before we take off for the summer, so the 18th is the “do or die” date. Do we have the resources?

**The Chair:** We're working on it. I'm hopeful that we do.

**Mr. Dan Mazier:** The understanding we have, so everybody knows and is on the same page, is that, if we do have votes that day, the meeting will start at four o'clock or later. If we have to go through votes, we can't say, “Oh, we're voting all through this.” Isn't that right?

It's going to the greatest possible extent to make sure this meeting—

[Translation]

**The Chair:** The aim is to resolve the matter on June 18, even if we're starting a little late. However, we'll have to check with the House administration to see if any resources will be available.

[English]

Go ahead, Mr. van Koeverden.

**Mr. Adam van Koeverden:** Thanks, Mr. Chair.

It's a good idea. One thing we need to address, now that it's on the same day, is the plan, then, to view documents for two hours.

**The Chair:** My understanding of why it's being delayed to the 18th is that the motion said the documents should be available three days before. Is that what it was? Yes. We've been told, or I've been told, that by making it the 18th, we can make the documents available.

**Mr. Adam van Koeverden:** I understand that. That wasn't my question, though. There was discussion the last time about whether or not we want to view the documents before or after we have witnesses. Does this mean that we will be viewing documents in the first two hours of the meeting and then having our regularly scheduled meeting afterwards? That would flip the two, the viewing and the meeting, around.

**The Chair:** My understanding is that we will have one hour with the witnesses and then one hour in camera with the documents. Is that correct?

**Mr. Dan Mazier:** Yes, and meanwhile we have two days—

**The Chair:** Meanwhile, there are two days to consider the documents before the meeting.

**Mr. Dan Mazier:** It's three days before the meeting even happens. We have access to the documents three days before the actual meeting.

**Mr. Adam van Koeverden:** We're going to get access to the documents on the 18th. Is that what this is saying?

**The Chair:** No. It's earlier, three days before.

**Mr. Adam van Koeverden:** Oh, do you mean the 15th?

**The Chair:** If we want.... You can consult—

**Mr. Adam van Koeverden:** Okay. The 11th wasn't an option, so now we're suggesting that we can have the documents available on the 14th or the 15th, or something like that?

**The Chair:** Yes, it's something like that—the 13th or 14th.

**Mr. Adam van Koeverden:** Okay. Then why would we have a four-hour meeting on the 18th if we're going to be viewing documents?

**The Chair:** It's because we have a regularly scheduled two-hour meeting to finish up the water study. The idea was always to add this two-hour meeting on the net-zero accelerator on top of another meeting. We were going to do it Monday on top of another meeting. It was always a question of adding two hours to an existing meeting. That's what the motion said.

Are we good?

Go ahead, Ms. Collins.

**Ms. Laurel Collins:** Mr. Chair, for clarification, do you mind repeating the dates that the meetings are going to be extended? Is it just the 18th or was there another date?

**The Chair:** No. It's just the 18th.

**Ms. Laurel Collins:** Okay, it's just the 18th. You said it's to wrap up the water study, but my understanding is that we'll have the minister come. He wasn't able to come—

**The Chair:** I apologize. You're absolutely right. The minister is coming on the 18th. The water study is being wrapped up on the 11th. Thank you for that clarification.

**Mr. Dan Mazier:** Is the minister coming first?

**The Chair:** Yes, he's coming for the first two hours, then we go into the net-zero accelerator for two hours and then that will be it.

**Mr. Dan Mazier:** It should be an exciting day.

**Mr. Adam van Koeverden:** Just for clarity, though, we're not adding any time in terms of a meeting for viewing documents. Will that be a one- or a two-hour period in an office somewhere in East Block? It's not like this, one of our meetings—

**The Chair:** No, but that is being determined.

Are we good?

• (1800)

**Ms. Leah Taylor Roy:** Is it from 3:30 to 7:30 on the 18th?

**The Chair:** That's the plan.

**Mr. Adam van Koeverden:** For the consideration of colleagues present, we have in the past just voted through the meeting. If we can do that, then we'll be able to have a four-hour meeting and not a six-hour meeting.

**The Chair:** That's perfect.

**Mr. Dan Mazier:** What I am worried about is that we can't gavel in as we get voting, so we want to make sure that the meeting starts and then away we go.

**The Chair:** Yes. If we're in the meeting when the voting starts, we'll take five minutes each time and vote.

**Mrs. Sophie Chatel:** On this issue of confidentiality, I know there are big consequences if the information gets leaked. I don't personally intend to be there, and if something happens I don't want my name to be associated with it.

Adam, you suggested the last time that there was a briefing on consequences of a leak in that....

**An hon. member:** It's not allowed.

**Mrs. Sophie Chatel:** No, it's not allowed, but if it happens there are very severe consequences.

**The Chair:** We'll consult the clerk and she'll tell us at the next meeting what the consequences are if we leak confidential information. Can you do that for us?

**The Clerk of the Committee (Ms. Natalie Jeanneault):** Yes, of course.

**The Chair:** Thank you.

Is there anything else? No.

Have a good weekend, colleagues. We'll see you next week.

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