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# Standing Committee on Natural Resources

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Chair: Mr. John Aldag





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• (1535)

[English]

**The Chair (Mr. John Aldag (Cloverdale—Langley City, Lib.)):** I call the meeting to order.

Welcome to meeting number 13 of the House of Commons Standing Committee on Natural Resources. Pursuant to Standing Order 108(2) the committee is continuing its study of a greenhouse gas emissions cap for the oil and gas sector.

Today is our eighth of nine meetings with witnesses for this study. The ninth will be next week, with the Minister of Natural Resources and the Minister of Environment and Climate Change.

We're going to be meeting in public today to hear from our witnesses until 4:30 p.m. We're meeting today in a hybrid format, pursuant to the House order of November 25, 2021. We are both in the room and participating remotely by Zoom. The webcast will always show the person speaking, rather than entire committee. I'd like to remind all participants that screenshots and taking photos of your screen while we are in session are not permitted. Today's proceedings will be televised and made available via the House of Commons website.

For a quick review of health and safety, we are still in a situation to which some health and safety rules apply, so we ask members to wear their masks if walking around the room. For anybody else in the room, please wear your mask unless eating or drinking.

For witnesses, and members joining remotely, I have a few quick points in order to ensure we have an orderly meeting today. First of all, interpretation services are available for the meeting. You have the choice at the bottom of your screen to choose floor, English or French audio. Members and witnesses may speak in the official language of their choice, and for any witnesses who may be new to the committee process, please speak at a natural, conversational speed. If we go too fast, it makes it very challenging for the interpreters to keep up, so don't feel that you need to pack everything into a very tight time frame. A nice, naturally paced conversation is appreciated.

For the members in the room, if you wish to speak, please raise your hand. Anybody joining remotely will have to use the "raise hand" function. Please wait until I recognize you by name before speaking, and if you're on Zoom, you will need to mute and unmute yourselves. In the room, it's controlled by our team here. A reminder that all comments by members and witnesses should be addressed through the chair.

For witnesses who may be new to the committee process, when we get into our questions and answers, each of the members is given a certain amount of time to lead the discussion. Often they have certain questions they want to direct to certain witnesses. You can use your "raise hand" feature. The members may or may not get to you. Sometimes they can be a bit abrupt, but that's not to be rude. It's just to get through their order of business to the questions they have, so please bear with us as we get into our meeting today.

I'd like to welcome our members, Ms. Khalid and Mr. McDonald, to the committee today. I think that's all of our guests.

With that, I'd like to introduce our witnesses on the study of a greenhouse gas emissions cap for the oil and gas sector.

First of all, we have Laurie Adkin, professor of political science, from the University of Alberta.

From the Clean Fuel Standard Advocates Coalition, we have Ian Thomson, chair, coordinating committee, and Bora Plumpre, secretary, coordinating committee.

From the National Coalition of Chiefs, we have Dale Swampy, president.

From the West Coast Environmental Law Association, we have Andrew Gage, staff lawyer.

Each person will have five minutes for their opening comments. I use a visual card system, so I'll give you the yellow card when there are 30 seconds left of your time, and the red card when the time is up. Don't stop mid-sentence, but wrap up your thoughts. We can move on to the next presenter, or panellist, as we move through this afternoon.

Ms. Adkin, you have five minutes for your opening comments.

• (1540)

**Dr. Laurie Adkin (Professor, University of Alberta, As an Individual):** Mr. Chair and members of the committee, I thank you for inviting me to address you.

I am speaking to you from Amiskwaciwâskahikan, Edmonton. I grew up in Ontario and Saskatchewan, and I have lived and worked in Alberta for the past 30 years. Three generations of my ancestors are buried in Alberta, on Treaty No. 6 land.

Here in Alberta, climate destabilization has contributed to multiple crises: more frequent droughts affecting food production, destabilization of hydrological patterns affecting water supply and flood control, increasingly intense and frequent forest fires, and biodiversity loss. All of these impacts further undermine indigenous economies and cultures.

Like many of the witnesses who have preceded me, I accept the extensive research showing that a schedule of caps on emissions from the oil and gas sector that will allow Canada to meet its 2030 and 2050 greenhouse gas reduction commitments will entail a contraction in oil sands production.

Unsurprisingly, representatives of the corporation invested in the extraction and export of oil and gas oppose such a policy. I have addressed their arguments in my written brief, in some detail.

Today I want to speak to you about why Albertans need a progressive cap on greenhouse gas emissions from the oil and gas sector, a cap that is combined with other elements of a comprehensive package of policies to underpin a just transition to a post-carbon economy.

My perspective is that of a political economist who has studied the development of Alberta as a colonial settler state and a petro state, and the impact of its extractive model of development on ecosystems, on indigenous communities, on the opportunities available to our young people to choose their life paths, on our public goods and services, on employment and income security, on gender inequality and violence and on the racialized labour market.

I have also studied the effects of the structural power of the fossil fuel industry on our political institutions, on democracy and, indeed, on the making of climate policy.

Oil and gas extraction has brought Alberta periodic wealth, albeit only a fraction of the wealth it would have yielded had the rent been fully captured by the province's governments. This wealth was neither equally shared nor enduring. It was not invested in ways that would have laid the foundations for a post-carbon economy.

Our economy remains highly vulnerable to price fluctuations for commodities traded in global markets. Because of the decisions made by successive neo-liberal governments, we lack the fiscal capacity necessary to provide stable funding to public services. Right now, 37% of unemployed Albertans have been out of work for six months or more. A labour market skewed to resource extraction entrenches gender inequalities, and this extractive economy has devastated the traditional territories of Cree, Dene and Métis peoples. It has left us with an estimated \$260 billion in environmental liabilities, and no credible plan in sight to finance cleanup and remediation.

The planned phasing out of unconventional oil and gas production in conjunction with investment in new green sectors and just transition policies will put Albertans, and all Canadians, on a new development path that offers real security and well-being, and real potential for reconciliation with indigenous people.

The fundamental obstacles to doing this are not technical; they are political. The most important questions for the federal government, then, are how it can strengthen a pan-Canadian consensus

about what needs to be done, how it can mobilize citizens' participation in planning and implementing what must now be radical, structural reforms of the economy.

• (1545)

We need to build a strong consensus around the principles for allocating responsibilities to reduce greenhouse gas emissions, and for supporting one another through the transition so that no group or region becomes worse off. We need new and reformed political institutions to do this. There is much work to be done to build a shared vision of a post-carbon society that is rooted in decolonization, solidarity and mutual care.

Thank you.

**The Chair:** That's great. Thank you.

Now we'll go to the Clean Fuel Standard Advocates Coalition. Who is going to be speaking or delivering the five-minute opening statement?

**Mr. Ian Thomson (Chair, Coordinating Committee, Clean Fuel Standard Advocates Coalition):** Thank you, Chair Aldag. My name is Ian Thomson, and I am presenting today as the chair of a formal national coalition, the Clean Fuel Standard Advocates. I'm joined by my colleague, Bora Plumptre, who is the secretary of the coalition.

The coalition has been active since 2016, and it is comprised of all of Canada's non-fossil, clean fuel industry associations—

**The Chair:** Mr. Thomson, wait one minute.

[*Translation*]

**Mr. Mario Simard (Jonquière, BQ):** We can hardly hear the interpretation.

[*English*]

**The Chair:** We're just having a slight translation issue, so I'll turn it over to the clerk to get sorted out.

I'm stopping the clock for you; you'll still have your full five minutes.

**Mr. Ian Thomson:** That's great, and I'm happy to have my colleague, Bora Plumptre, step in to deliver our remarks, if that helps.

**The Clerk of the Committee (Geneviève Desjardins):** I'm getting a nod of the head from the translators, so if that's okay with you, yes, we can now hand that over.

**The Chair:** Mr. Plumptre, if you want to start and make the opening comments, please proceed.

**Mr. Bora Plumptre (Secretary, Coordinating Committee, Clean Fuel Standard Advocates Coalition):** Thank you very much. Hopefully you can hear me.

My name is Bora Plumptre. I'm speaking to you today from Toronto, which is also the traditional territory of many first nations, including the Algonquin Anishinabe and many others.

I am speaking on behalf of the Clean Fuel Standard Advocates Coalition today, but I am also the research director of Electric Mobility Canada.

As my colleague, Mr. Thomson, was saying, our coalition, which is devoted to the clean fuel standard, has been active since [*Technical difficulty—Editor*]

**The Chair:** We lost you there. You froze up, so we'll pause just for a second.

**Mr. Bora Plumptre:** Transportation sector emissions—

**The Chair:** I'm sorry, Mr. Plumptre. You froze there for a second, so we're just getting everything reset, and then if you want to pick it up when I give you the go-ahead, maybe back it up two sentences from where you were.

Technology is not always our friend.

**Mr. Bora Plumptre:** Indeed. Am I coming through clearly now?

**The Chair:** Yes; you're good, so if you want to resume, I'll restart the clock.

**Mr. Bora Plumptre:** Thank you so much.

We have a wide membership in our association, representing the full gamut of non-fossil, clean fuel industries, from electric vehicles through hydrogen, RNG, biogas, synthetic fuels and advanced bio-fuels.

Our goal in testifying before the committee today is to relay the critical need to align the design of the oil and gas cap—as a new energy and climate policy in this country—with a policy that the government has invested a lot of effort and time designing, the clean fuel standard. We need to do this if we, as a country, are to have a coherent strategy to address our large and growing transportation sector emissions. The clean fuel standard as a regulation will be in place soon and will have a direct impact on the oil and gas cap, in whatever form it takes, and vice versa.

Transportation—as many of you know, I'm sure—is Canada's highest-emitting sector on an end-use basis. It was intended that the CFS do the heavy lifting in this sector in terms of emission reductions, because the sector is so difficult to decarbonize. Let me explain how the CFS connects to your current study.

The committee's focus is the fossil fuel emissions from upstream activities that extract and process crude oil and natural gas. Industry firms' pledges to achieve net-zero emissions will not reduce emissions from the use of the fuels they sell, however. On a well-to-wheel, or full life-cycle carbon accounting basis, it is the combustion of these fuels that creates most of the emissions from gasoline, diesel and jet fuel. In fact, 76% of transportation emissions come from the actual burning of fuels. The upstream component of fuel emissions is only a quarter of the full life-cycle emissions. You can see that the elephant in the room, from the point of view of climate change, is the combustion emissions.

Other jurisdictions aside from Canada have implemented clean fuel standards, but they target almost exclusively these combustion

emissions by requiring the use of non-fossil fuels to displace gasoline and diesel. British Columbia's regulation, for instance, relies almost entirely on biofuels, electric vehicles, RNG and hydrogen.

The draft clean fuel standard design departs from global norms by creating a disproportionately large role for cleaner crude to meet compliance. Canada's exports of crude oil outnumber domestic use by about four to one. These exports can count towards CFS compliance, notwithstanding that the CFS is supposed to focus only on fuels in Canada. This provision, and other illogical ones, effectively and incorrectly duplicate the purposes of the CFS and the oil and gas sector emissions target, resulting in the double counting of actions to reduce carbon—potentially, at least. This duplication acts as a de facto subsidy for the prolonged use of fossil fuels in Canada and directly disincentivizes a greater use of non-fossil fuels that all of the science shows must be at the centre of a net-zero transportation sector.

Our coalition is recommending that the proposed greenhouse gas emissions cap for the oil and gas sector is the proper place to address emissions from the production of fuels, which would then assign to the clean fuel standard its primary purpose of reducing the combustion emissions of transportation fuels. In short, the role of crude oil should be very limited in the scope of the CFS. This change will make these two regulations work in an aligned manner and address inappropriate and inefficient regulatory duplication.

Our second recommendation, if I may, is straightforward. The carbon intensity reduction target for the clean fuel standard is also outdated by the half a decade-plus of regulatory development that the clean fuel standard has been subject to. We believe it should be increased to reflect not only the increased climate ambitions to which Canada has signed on in the past year, but also the rapid expansion and availability of very low-carbon clean fuels.

These two recommendations together are, in our view, vital to making sure that there is an effective clean fuel standard and that this works in tandem with an effective and efficient oil and gas sector emissions reduction cap.

My colleague and I look forward to your questions.

As a final note, I'll point out that the Department of the Environment and Climate Change held a stakeholder meeting on Friday last week to reveal some proposed updates to the clean fuel standard. We would be happy to address any questions that may arise in relation to this update.

• (1550)

[Translation]

I want to thank the committee members.

[English]

**The Chair:** That's great. Thank you for your patience as we got through that. I appreciate your comments.

We're now going to go to Mr. Swampy, president of the National Coalition of Chiefs.

It's over to you for five minutes. You just need to unmute yourself.

**Mr. Dale Swampy (President, National Coalition of Chiefs):** Thanks for the opportunity to speak to you today. I would like to acknowledge that I'm speaking to you from Calgary, Alberta, the traditional territory of the Treaty 7 first nations and the Blackfoot Confederacy, which includes the Siksika, Piikani and Kainai first nations. Treaty 7 also includes the Tsuut'ina Nation and the Stoney Nakoda Nation, which includes Chiniki, Bearspaw and Wesley first nations. The city of Calgary is also home to the Métis Nation of Alberta Region 3.

My name is Dale Swampy. I'm a member of the Samson Cree Nation and president of the National Coalition of Chiefs, which is a coalition of industry-supportive chiefs. Our mandate is to defeat on-reserve poverty. We work to establish mutually beneficial agreements between first nations and industry partners in an effort to enhance the economic prosperity of reserve communities.

I'm here today because I am very concerned, along with our member chiefs, that a cap on emissions will be, in effect, a cap on production in the oil and gas industry. This will certainly impact the Canadian economy, affect the number of good jobs out west and make energy prices around the world even higher, without impacting global emissions one bit.

To me, the biggest problem is the way it will impact first nation economies and our ability to finally share in Canada's resource economy and get our people out of poverty. We have historically been left out of Canada's wealth and prosperity. I know all the committee members are well aware of this terrible history, but you might not be fully aware of how far indigenous people have come in fighting for that seat at the table and working with industry to participate in the oil and gas sector. There's still much more work to do for our people to get our fair share, but there isn't a single other sector in Canada that has provided us with as many opportunities, including well-paying jobs, contracts, royalties and ownership shares. We're talking about billions of dollars in revenues that we are earning. It pays for housing and cultural programs and supports our elders and youth.

We want to own projects like TMX. A number of first nation groups are competing to buy that project from the federal government, so it's not a subsidy, as a member of this committee stated the other day. It's a business opportunity for our nations that will bring stable, independent funding to our communities, so we can support the services and programs that our people are so desperately lacking. In Asia, customers for our oil are lined up for the product that

will come through TMX, but we need to be able to produce that oil in the first place to export it.

That's not to mention the LNG projects on the B.C. coast, in Quebec and in Newfoundland that first nations are partners in and have significant ownership involvement in. The world is crying out for that LNG and has to use coal instead of us supplying it to them. If you put a cap on production, we won't be able to produce and export the LNG that so many first nations are involved in and counting on. We won't be able to supply that product to Europe and Asia to provide that bridge fuel in the energy transition and help with the energy crisis happening in Europe.

To hear that you are studying how to shrink the oil and gas industry and stop new production just when we have gotten our foot in the door and are positioned to benefit and lead that new growth is incredibly frustrating.

The government should absolutely support efforts to reduce emissions intensity in oil and gas production, such as through carbon capture. First nation communities are already involved, working in partnership with industry on big carbon storage projects. One was announced just last week between Enbridge, Alexander First Nation, Alexis Nakota Sioux Nation, Enoch Cree Nation and Paul First Nation. They have part ownership of it.

If this study supports expanding things like making Canadian oil and gas less emissions intense and providing more opportunities and capital for first nations to be engaged in that, I think everybody would be supportive and pleased with that. That would be a positive role for the government.

Based on many things I've been hearing, this Parliament seems to treat the oil and gas sector like they're the enemy and a problem to be fixed. Instead, I ask you to work together with industry and first nations to strengthen our oil and gas sector and indigenous involvement in it. Help it reduce emissions, not by shrinking it and producing less, but through innovation. Help us to supply more to the global demand instead of leaving it to Russia and OPEC to provide more while first nations lose out on the opportunity.

• (1555)

The world needs oil and gas, and it will need it for decades to come. I believe that the last drops should come from first nation-owned projects in Canada.

Thank you.

**The Chair:** Thank you for your comments.

Finally, for opening statements, Mr. Gage, we'll go to you. You have five minutes.

**Mr. Andrew Gage (Staff Lawyer, West Coast Environmental Law Association):** Thank you to the committee, both for the invitation and for your work in investigating this important question. I join you from the territory of the Lekwungen-speaking people on southern Vancouver Island.

Canada set its goal to achieve net-zero greenhouse gas emissions by 2050, and we're pleased that all of your parties have either endorsed that goal or called for even more ambition.

Net zero is a goal that's based on the scientific work of the Inter-governmental Panel on Climate Change, the International Energy Agency and others, all of which are clear that it means immediate and dramatic shifts away from fossil fuel use and production in our society.

In our view, an oil and gas emissions cap is necessary to help meet Canada's goal.

In 1995, when I was 22, the Canadian Association of Petroleum Producers signed an agreement with then natural resources minister, Anne McLellan, to support voluntary industrial action to reduce the oil and gas industry greenhouse gas emissions and help Canada achieve its goal of returning to 1990 emissions levels by the year 2000. Needless to say, this did not happen. Instead, emissions from the oil and gas sector, from then until now, grew by about 50%, and the intensity of emissions from each barrel of oil produced in Canada grew by 16%.

As a direct result, Canada missed not only its 2000 target, but also its 2012 target and its 2020 target. That's a cautionary tale that I think of when today's oil and gas industry says that it's planning to achieve net-zero emissions by 2050.

The fact is that pretty much every country that ramped up fossil fuel oil and gas production is now producing more greenhouse gases today than it did in 1990. The countries that are emitting less now than they did in 1990 made different choices and constrained the production of oil and gas and fossil fuels.

The goal, of course, is to avoid dangerous climate change. That means ramping down emissions from fossil fuel use and production. Fossil fuel production is a provincial responsibility. Of the provinces, only Quebec, which does not produce oil and gas, has signalled its intention to limit oil and gas production.

The federal government has clear authority, affirmed by the courts, to regulate national greenhouse gas emissions. We submit that it has the responsibility to ensure that one industry's emissions do not compromise our country's ability as a whole to meet national climate targets, as the oil and gas industry has done repeatedly.

Given that an emissions cap would be useful, how should it be structured? Here I would refer you to the submissions made by the Climate Action Network and its six other signatories, including West Coast Environmental Law, sent to you last week. That letter sets out five principles and 20 associated recommendations that we believe should govern the cap on emissions.

I don't have time to review them all right now, but I will direct your attention to the first three principles.

First, the emissions cap needs to follow an aggressive decarbonization pathway that does not prioritize the short-term profits of the oil and gas industry over a safe climate, or over other sectors of the economy that will have to do more to achieve the targets if the oil and gas industry does less.

Second, the emissions caps must cover all of the emissions associated with the oil and gas industry and result in absolute emissions reductions rather than just net emissions reductions.

In the coming days, we will be releasing a report, "Net Zero or Net Reckless", which points out that while the net-zero target means we may be able to use some technological solutions to remove carbon dioxide from the atmosphere, there are real limits on those technologies. The scientists who proposed net zero as a target are adamant that such technologies must be used only for essential and extremely hard to decarbonize emission sources and to restore the atmosphere by reducing what's already in it, not as a "get out of emissions reductions free" card that the oil and gas industry can buy and play. They cannot be used as an excuse to delay drastic emissions reductions or for the industry to meet a cap. It should be met through actual reductions.

Third, the emissions cap must be enforceable. We're not talking about a policy or an expected emissions pathway, but legally binding mechanisms with significant consequences for failure.

The emissions cap must quickly cap emissions from the oil and gas industry and bring them down to align, at least, with the high end of Canada's legislated 40% to 45% reduction by 2030 target, so that the burden of achieving the target is not passed instead to manufacturing, agriculture or other sectors.

● (1600)

We should not shy away from an aggressive cap that will help the industry shift how it provides energy away from oil and gas to renewable sources of power.

Thank you for your time. I look forward to any questions.

● (1605)

**The Chair:** That's great. Thank you.

I know that five minutes go very quickly, and I appreciate that everybody is staying close to that.

We now have time for four six-minute rounds, 24 minutes of questions. Each of the parties will get six minutes. It will go pretty quickly.

We're going to start off with Mr. Melillo.

We'll go over to you for your first six minutes.

**Mr. Eric Melillo (Kenora, CPC):** Thank you very much, Mr. Chair, and thank you to all the witnesses for joining us here today.

I'd like to start with Mr. Swampy, if I may. I come from Kenora and the Kenora riding in northwestern Ontario covering Treaties 3, 5 and 9, as well as the Métis homeland. I can appreciate some of the frustration you conveyed in how we look at economic reconciliation and moving forward together in that respect.

With that in mind, and also considering the government's pledge to work towards UNDRIP and to respect indigenous rights across the country, I'm just wondering if you can tell the committee if you believe that any emissions cap that's obviously going to be impacting first nation development and indigenous communities across the country has to have a consultation process and, more importantly, has to have the consent of indigenous communities before it can go forward.

**Mr. Dale Swampy:** Yes. That was our biggest problem when we first got organized back in 2017. There was a group of chiefs from northern gateway pipeline who weren't consulted and kept on requesting meetings time and time again with the Liberal government, and who were refused.

Thirty-one out of the 40 communities along the right-of-way of northern gateway were signed on as equity owners in that project, and the Liberal government refused to meet with us. We flew to Ottawa on almost 20 occasions, protesting against the tanker ban and against the lack of consultation for the CER, the new legislative regime for new projects. We protested against not being able to provide input in the UNDRIP legislation. We protested against many other types of legislation that are important and impact us greatly.

This emissions cap is going to do the same thing. We're going to see a lot of situations where the budgets, the economy and the ability for the governments to be able to levy budgets throughout these years of reduced production are going to affect marginal funding programs, and that is first nations: We are marginal funding programs. Our ability to be able to get our people on reserve out of poverty is going to be limited even more because of this.

Everybody has complaints about emissions, but nobody provides solutions. I haven't heard a solution here today, and I haven't heard a solution about anything in the past three years on tackling climate change. I think what we have to do is to get a sustainable energy plan. That means an energy plan that doesn't ruin our economy, an energy plan that gives us a sustainable transition into green energy.

I mean, we're not climate deniers. We're just wanting to be involved in the economy. We're front and centre these days because of the new ESG guidelines, and if these ESG guidelines had been incorporated in the 1970s or the 1980s, we'd have a good grasp on the economy right now, but it's just too little, too late, and we're struggling to get our people out of the welfare society that was created.

**Mr. Eric Melillo:** I appreciate that. You mentioned in your remarks that it is your mandate to defeat on-reserve poverty, and I think all of us sitting at the table here would applaud the work you're doing.

I want to pick up on that, because you noted the distinction between a cap on emissions versus a cap on production, and of course a cap on production would be an entirely different thing, in the sense that I think it would hurt your communities and hurt our in-

dustry and workers much more and probably unnecessarily. I'm just curious to know if I can get your thoughts, from the point of view of defeating poverty, on what the difference would be between a production cap versus the emissions cap.

**Mr. Dale Swampy:** A production cap would go across the field and basically ruin a lot of economies in the west. An emissions cap will allow us to develop sustainable oil production, and that means using carbon capture, utilization and storage facilities to offset the emissions that are used to produce things like we're trying to produce right now. We've done a gas to hydrogen project, creating blue energy with carbon capture and utility storage, supported by and owned by 14 first nations. Here in Canada, we have a CCS program going up north. We have the net-zero gas to blue hydrogen program in Edmonton, supported by northern first nations. We have several other programs that talk about sustainable communities, and that's what we're trying to do, get our communities to become sustainable. That means producing our own power and managing our own water purification, our own waste-water systems and our own solid waste systems. We can't do that if we don't have access to a healthy economy, and that healthy economy is dependent on oil production. Production is huge in our country.

When you talk about things increasing, the hockey stick graph that you see all the time is not the only hockey stick graph. There's a hockey stick graph on population. When I was young, when we first got involved in the oil and gas industry back in the 1980s, there were only three billion people on the surface of the planet. Now there are almost eight billion. There's a hockey stick that should be considered, and stop picking on the oil and gas industry. Start working on something sustainable in terms of solutions; then we'll get somewhere.

• (1610)

**The Chair:** I'm sorry to jump in here, but that's the end of the six minutes.

Now we're going to go to Ms. Dabrusin for her six minutes.

**Ms. Julie Dabrusin (Toronto—Danforth, Lib.):** Thank you.

I was hoping to begin with West Coast legal, because I believe they had started talking a bit about structure. I was interested in having some more of their thoughts, because we've heard from witnesses with some varied ideas about how to properly structure what we would want to do to reduce emissions from oil and gas.

Could I get your thoughts? Starting on the larger frame, we heard witnesses suggest that we should just stick with existing tools like the price on carbon pollution, and others have suggested we should have a separate cap that we put in place. I was wondering if you had thoughts about those two options as to the most effective tools.

**Mr. Andrew Gage:** I certainly have thoughts. Here's the one answer. The fact is, you're hearing conflicting views on that because there are pros and cons to both of those approaches. That's why we've tended to focus in the submissions we've sent to this Climate Action Network Canada on the fundamental principles that need to underscore either approach.

Clearly the commitment made by the Prime Minister was to a cap, and it's difficult to see that the commitment could actually be achieved through a pricing mechanism, but this has clear advantages in terms of already being an existing mechanism in place that could perhaps be ramped up more easily, more quickly.

We've deliberately not made a final recommendation on that. There are a lot of complicated pros and cons in play with either proposal.

**Ms. Julie Dabrusin:** Because I have only a few more minutes left, what are the pros and cons that you have with going with the cap?

**Mr. Andrew Gage:** With the hard cap, primarily the time involved in putting the legislation in place or the system in place would be a major con.

A pro is that, you know, the oil and gas industry has a history of being treated perhaps differently, more lightly, than the rest of the industry. I know they're complaining now that they're being singled out, but the fact is they've generally been given a lot of "get out of emissions reductions free" passes along the way.

Knowing that we will achieve a certain level of reduction from the industry when it is so important that we actually get this industry under control, which is behind us and missing a lot of Canada's targets to date, would be a significant advantage.

**Ms. Julie Dabrusin:** If we were going with the cap route, which is what the commitment was—a cap on emissions—do you have any thoughts on how that would be structured? We've also heard some different thoughts about cap and trade, or going through other regulatory mechanisms.

• (1615)

**Mr. Andrew Gage:** A cap and trade seems like a very well-established route. Quebec is currently part of a cap and trade system, although economy-wide rather than for a particular industry. We have other examples where that has been done historically, and is still being done.

Again, without necessarily endorsing that as the most appropriate, that is certainly where my mind goes in terms of how you would deliver a cap system.

**Ms. Julie Dabrusin:** If I can go to the Clean Fuel Standard Advocates witnesses, you talked about clean fuel standards quite a bit. I note there's also a commitment that 100% of new vehicles sold by 2035 will be zero-emission vehicles. On that, I was wondering if you had thoughts about the best structure for a cap.

Should we be going, as some people have suggested, with just increasing the price on carbon pollution, or would you suggest that a cap on carbon emissions would be better?

**Mr. Ian Thomson:** We have not addressed that question specifically. We made a submission to the net-zero advisory body in general support for a cap. Our position is to ensure that the design of a proposed cap would align with the design of the clean fuel standard, and that they not duplicate each other's signals.

We also note that a lot of work has been done during the last five years to develop the clean fuel standard relative to how you could account for additionality, and so on, in a cap. That might be work that could be repurposed for the purposes of a proposed cap.

**Ms. Julie Dabrusin:** I'm going to jump quickly to the West Coast Environmental Law Association.

I've been asking a bit about the border carbon adjustment and its role if we're putting in place an oil and gas cap on emissions.

Do you have any thoughts about that, and what should we be doing about border carbon adjustments?

**Mr. Andrew Gage:** One of the recommendations that the Climate Action Network groups have made is simply that we should actually be looking not just at the upstream emissions associated with the oil and gas industry but also downstream emissions, where those are not currently captured by the carbon price.

That may mean we should be regulating the export of oil and gas and/or applying a price at that stage, so that's certainly something we would support.

**Ms. Julie Dabrusin:** That's all my time. Thank you.

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

[Translation]

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

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

I have a few questions for Ms. Adkin.

In your presentation, you said that the wealth created by the oil and gas sector was neither sustainably nor equitably shared, and that it didn't allow for the funding of public services.

I'd like you to elaborate on your ideas about this topic.

[English]

**Dr. Laurie Adkin:** What has happened in Alberta is that a very weak royalty regime over time has not captured a very large portion of the rent from the industry.

In addition to that, we have been subject to the very radical fluctuations in the global price for Alberta's products, exported synthetic crude oil and bitumen. This means we have very little control over revenue, when we have up to 30% of our budget coming from oil and gas royalties.

There are a combination of factors. There's an amount of rent that's not been captured. There's the way it was not saved, and then there's the insecurity and instability of that revenue, which means that we've had a lot of trouble, when oil prices fall, in actually funding our public services at the levels that are needed.

[*Translation*]

**Mr. Mario Simard:** Thank you for your response.

You also said, with respect to the transition, that the obstacles are political. You said that a radical reform of the economy is needed.

I don't want to put words in your mouth. However, I believe that, in our political processes, the oil lobbies are much stronger than the environmental social movements. This creates a type of imbalance. In our political decision-making processes, the oil companies' point of view plays a much more dominant and significant role than the environmentalists' perspective. Do you agree?

• (1620)

[*English*]

**Dr. Laurie Adkin:** Yes. I've been studying the formation of climate policy in Canada since about 2002. If you look at how climate policy has been made in Alberta and British Columbia and at the federal level, you can see the very heavy influence of the oil and gas sector. Lobby organizations, industry associations and the sphere of think tanks and so on are influencing the outcome of the policy. They're very much a privileged stakeholder. They have insider status with government ministries, so they are very close in the design of regulations and in determining the bottom lines of things like carbon pricing.

[*Translation*]

**Mr. Mario Simard:** You concluded by saying that new political institutions must be developed.

What did you mean by that?

[*English*]

**Dr. Laurie Adkin:** Thank you for giving me an opportunity to answer that question.

One of the problems we see is that, in order to counter this very powerful influence of fossil fuel industry and big business associations, we need to have a very mobilized public that understands what's really at stake here, what the urgency of this climate crisis is and what the implications of it are. Any government that's going to take significant action to deal with a climate crisis is going to need public support. It's going to need a well-educated citizenry that, again, understands what's at stake and what the options are on the table before us. We need to have the opportunity to review all of the options and not just a selected few that filter down to us through already privileged interests.

One of the ways we can think about doing this, for example, is to create regional citizens' assemblies, and these assemblies could also

look at different sectoral aspects of a broader, comprehensive plan for a green transition. This would give the government an opportunity to get recommendations from well-informed citizens who've had an opportunity to listen to the experts, understand the science, understand the options available. It could then move forward to say, "Look, we've consulted citizens; we've had a democratic process; we have this kind of feedback."

This process, obviously, has to be broader than citizen assemblies, because we have to get provincial governments to the table to agree on the principles for allocating responsibility for the reduction of greenhouse gas emissions and the redistribution of the revenue that's going to have to accompany this to make sure that various regions of the country are not left out.

Finally, we need to include first nations and Métis people in these consultation processes in a different way, on a nation-to-nation basis. This is a process that could become permanent—

[*Translation*]

**Mr. Mario Simard:** I'm sorry, Ms. Adkin, but I don't have much time. Thank you for your detailed response.

I have a quick question for Mr. Gage.

Mr. Gage, you spoke about capping production. I understand that this is difficult from a constitutional perspective, since the issue falls under provincial jurisdiction. However, wouldn't one solution be to end financial support for the oil and gas sector?

I'd like to hear your thoughts on this.

[*English*]

**Mr. Andrew Gage:** I think our focus has been on what needs to be done to get a stable climate. There would probably be significant impacts but, by signalling it in terms of caps going forward, whether it's through production caps or emissions caps, you're providing some certainty to the industry and their investors so that they can plan for what needs to be done and the transition that needs to occur.

**The Chair:** We're out of time there.

Now we're going to jump to Mr. Angus, and he gets his full six minutes.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Thank you, Mr. Chair.

Mr. Gage, I'd like to begin with you.

One of the premises that we're being told to believe here at our committee is that we can continue to increase production, but don't worry, we'll somehow cap emissions, and all these things will somehow make sense.

Last week, the government announced a 300,000 barrel a day increase in oil. The Canadian energy regulators are planning for an increase of 1.2 million barrels a day, based on Canada's plans. Do you think that there's any chance we're going to meet our 2030 targets if those are the kinds of increases we're doing?

**Mr. Andrew Gage:** As I mentioned in my presentation, historically, I don't think there are any examples of countries that have dramatically reduced their greenhouse gas emissions while also dramatically increasing their production of oil, gas or coal. If Canada were to do that, it would be the first.

They generally rely on technological solutions like carbon capture, utilization and storage, which, for the most part, has historically increased emissions. It has not resulted in decreased emissions, but it does hold out that promise. Another solution would be negative emissions technologies, whereby we're sucking carbon dioxide out of the atmosphere and then storing it somewhere.

All of these technologies are, I think, technologies that at some level have a role in addressing the climate crisis, but the scientists who have told us what net zero means have been very clear that that role is limited. It's not the solution that allows us to have our cake and eat it too; it is one tool in a tool box that has to include reductions in production.

• (1625)

**Mr. Charlie Angus:** Thank you for that.

I remember being here when I was told on the voluntary emissions cuts that if we let the industry work voluntarily, we'd be there. We're being told there's a new technology. CAPP, the association of Alberta petroleum producers, is asking for \$75 billion because carbon capture is the new miracle solution, yet Adam Radwanski, hardly an environmentalist writer in *The Globe and Mail*, writes that even if we give them all this money we're not going to actually see anything from carbon capture, probably, until 2028-29. Professor Anderson, who just spoke to our committee, said it only captures 1% of emissions.

Wouldn't we be better off spending \$75 billion in public money on other means, such as transitioning the economy, than on carbon capture, which is not going to come on stream for another seven to eight years?

**Mr. Andrew Gage:** I absolutely would agree with that. There's the old saying that an ounce of prevention is worth a pound of cure, and I think it applies absolutely to these respective technologies. With carbon capture and storage, you're trying to put the genie back in the bottle after you've already let it out. It's much better to reduce our emissions wherever possible.

If carbon capture and storage or negative emissions technologies are used, it should be for the most difficult to decarbonize industries only, and for those that we cannot possibly move away from, as well as, in the case of negative emissions technologies, to actually suck the carbon dioxide that's already in the atmosphere back out and try to make the situation better than it will otherwise be.

**Mr. Charlie Angus:** Thank you for that.

We had a letter from 400 scientists and environmentalists, pleading with the government to see that this was unproven technology, but then big oil had 6,800 meetings with the present Liberal government, so we know who has their ear.

For that, I'd like to go to you, Professor Adkin. I think what's frustrating is that we're looking at Alberta still as the land of huge opportunity. Alberta will lead in the energy transition if the invest-

ments are made. The report by Edmonton Global and Calgary Economic Development talks about the potential of an economy of \$61 billion for Alberta, and 171,000 jobs, if the investments are made in clean tech. What we see is Jason Kenney and this government backing them, continuing to support big oil.

What do you as an Albertan think of the potential to transform the economy by making a serious investment in clean tech?

**Dr. Laurie Adkin:** There have been a number of studies showing the potential for the creation of jobs in many new sectors, including renewables, energy retrofits, cleaning up the abandoned oil wells, dealing with environmental remediation, doing restoration work on the watersheds, and in regenerative agriculture and in tourism. There are many areas.

I would also just remind the committee of the testimony of Melody Lepine, when she was with you on March 21. She talked about the potential for development of indigenous economies that are not reliant on the oil sands or on oil and gas extraction. She said there has to be a transition framework, that they have been asking for the federal government to co-operate and to help fund such opportunities for indigenous peoples in the oil sands regions. She talked about the possibility of—

**Mr. Charlie Angus:** I hate to interrupt here. I'm just running out of time. Her testimony was very powerful and I think it will be very helpful.

**Dr. Laurie Adkin:** Sure.

**Mr. Charlie Angus:** I just want to end with this: My in-laws spent their career in the oil patch and they had a real belief, back when Peter Lougheed said that money was going to be used to build a better future for Alberta. Consecutive Conservative governments gave it away, and now we're stuck with the \$1-billion program for abandoned and orphan wells. We don't have a government provincially that seems to have any kind of plan.

What do you think should be done in terms of our future potential? Should we keep giving it away to the oil lobbyists, or should we be investing it in an economy for the people of Alberta?

• (1630)

**Dr. Laurie Adkin:** As one of the signatories to the letter you just mentioned, I believe it would be a mistake for the federal government to hand over a \$50-billion to \$75-billion tax credit to the oil and gas sector for CCS technology. As I explained in my written brief, if the industry thinks this is the magic ticket to reducing its greenhouse gas emissions in the time frame required, it should be financing this itself. The reason it's not financing it is that it knows that there's a very high risk that it will make an upfront investment like this and never get the return back before the industry becomes unprofitable. Therefore, the industry wants the public to pay for it.

We need to be putting our very valuable public revenue into the solutions that we know work. We need to be building out the renewable sector very rapidly, and we need to be investing heavily in energy efficiency areas where we have the greatest possibility of gains with the lowest ecological cost. Those are the things I would recommend.

**The Chair:** I'm sorry. With that, we are out of time. This went by very quickly.

**Mr. Charlie Angus:** Did it ever. Thank you.

**The Chair:** I would like to thank each of the witnesses for—

**Mr. Greg McLean (Calgary Centre, CPC):** On a point of order, Mr. Chair, this is a serious study that we're undertaking here, and you've given it short shrift.

We've had a number of witnesses here. We should be able to question some of the alleged facts they've put on the table. One hour without anybody questioning them on some of the information we've heard is giving short shrift to what should be a very serious report, Mr. Chair.

I'm going to ask you to open this up for the next hour, or perhaps schedule a business meeting for another time, because there are some important—

**The Chair:** We—

**Mr. Greg McLean:** This is a report. We can use only the information we hear at this committee in the report. I will say, very clearly, that there's been a bunch of misinformation that we need to question the witnesses on. We need that time, Mr. Chair.

**The Chair:** I appreciate your point of order, but we published a notice and we need to stay with that. We said there would be one hour for witnesses, and we have important subcommittee business we need to get to. I've explained to previous speakers, when you haven't been here, that we are extremely tight on House resources right now, and the only time we can get to committee business, including planning our next study, is in the next hour that we have allocated.

With that, we're going to adjourn today's....

Mr. Angus has a second point of order.

**Mr. Charlie Angus:** I would normally completely agree with Mr. McLean, because I think these witnesses are incredibly important. This issue is.... It was the Conservatives who said they wanted to do committee business and cut our meeting by an hour. We agreed, because the Conservatives wanted to bring back their motion. Otherwise, we'd be doing what we should be doing, which is hearing witnesses.

We agreed to suspend so we could get to committee business to help the Conservatives out. That should have been a discussion they had before they came to the meeting.

**The Chair:** We're going to conclude the meeting right now.

Thank you to the witnesses.

The witnesses do have an opportunity—

**Mr. Larry Maguire (Brandon—Souris, CPC):** Mr. Chair—

**The Chair:** I'm in the middle of my sentence. I'm taking only points of order right now, so if it's not a point of order, we're going to continue on with the business as published.

What I was saying was that I wanted to thank the witnesses for being here. I knew this was going to be a very tight one. You are invited to submit briefs of up to 10 pages. If you heard things from testimony that you don't agree with, you are able to—

**Mr. Greg McLean:** I have one more point of order, Mr. Chair, if I may.

If you're going to let these witnesses go after one round of questioning, without our being able to test them on what they've put on the table, you need to call them back for at least another hour.

**The Chair:** The issue we're up against is this: We have a whole bunch of business that we have been asked to consider this spring. We have motions from all parties. As I've noted, we have very little time to do this. It's—

**Mr. Greg McLean:** Mr. Chair, I'm going to protest, because—

**The Chair:** No, no. Where I'm going with this is that, in order to adjourn, we need to have a majority in support, so—

• (1635)

**Mr. Greg McLean:** I'm still on a point of order here, Mr. Chair.

The issue we have here, of course, is.... There seems to be so much business and you're saying it's a lack of resources available in the House. I'm going to say, enough of that excuse—COVID and everything else. You have to start getting the resources available for this committee so that we can meet and discuss the important issues. I don't want to hear another reason, or that there's a lack of House resources. Get the House resources. Let's get these committees working well again, please, Mr. Chair.

This committee needs to come back so we can address some of the information that's been put on the table by some of the witnesses.

**The Chair:** Mr. Angus, do you have a point of order?

**Mr. Charlie Angus:** We had really incredible witnesses last week, who were given only an hour because the Conservatives wanted to do business.

He can protest all he wants. They had a choice about who was going to speak for them, and they didn't.... We need to get to business. If they want to extend the emissions cap study because they don't like what they're hearing, I don't have a problem with that. Have us come back as committee business.

Right now, you have a mandate to suspend and I vote to adjourn.

**The Chair:** We have a motion to adjourn. That needs to be voted on before we can do anything else. I have to call the question.

All in favour of the motion to adjourn?

(Motion agreed to)

**The Chair:** With that, we will be adjourning this meeting.

I would like to thank the witnesses for being here.

Mr. Morrice, I never got to see you, but thank you—

**A voice:** [*Inaudible—Editor*]

**The Chair:** Well, we have just moved to adjourn, so I will adjourn this part of this meeting. Then we'll be coming back, closed, as soon as we can get the cameras reset and those joining remotely coming back in.

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