



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

44th PARLIAMENT, 1st SESSION

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# Standing Committee on Natural Resources

EVIDENCE

**NUMBER 041**

Thursday, November 17, 2022

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Chair: Mr. John Aldag





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• (1105)

[English]

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

Welcome to meeting number 41 of the House of Commons Standing Committee on Natural Resources.

Pursuant to Standing Order 108(2), the committee is meeting to hear from witnesses for its study of federal assistance for various natural resource industries. Today's meeting is taking place in a hybrid format, pursuant to the House order of June 23, 2022.

For everyone participating today, neither screenshots nor photos of any sort are allowed now that we're in session.

For the benefit of witnesses and members, please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mike, and please mute it when you're not speaking. There is interpretation available. You have the choice of the floor, English or French. That's on the bottom of your screen, for those participating remotely. For those in the room, you can.... Everybody in the room knows the drill.

All comments should be addressed through the chair.

For anyone wanting to join in the conversation, feel free to use the "raise hand" function. When we get into the questions and answers, I leave it very much to the member who has the floor to guide where they're directing their questions. I'm sure many of you have participated at committee before, but it goes pretty quickly, so the members may sometimes have to jump in and ask you to wrap up, so that they can move on to their next round of questioning.

All witnesses have completed the required connection tests.

Before we get started, I will point out that I use a handy card system. When you see the yellow card, there is 30 seconds left in the allotted time. The red card means that time's up. Wrap up your thoughts, but don't stop mid-sentence.

With that, we have seven participating organizations today. Thank you all for being here with us.

We'll have the Atlantic Canada Opportunities Agency go first with a five-minute opening statement, followed by Canada Economic Development for Quebec Regions, the Canadian Northern Economic Development Agency, or CanNor, the Federal Economic Development Agency for Northern Ontario, the Federal Economic Development Agency for Southern Ontario, Prairies Economic De-

velopment Canada and, lastly, the Canada Energy Regulator. At that point, we will be moving to our rounds of questions.

I have been asked by members to conclude as close to one o'clock as possible. I have a bit of committee business—administrative tasks—relating to this study that I'd like to deal with, so I'll keep an eye on when we stop the questions and move to that. We should be able to get through close to two rounds of questions this morning.

With that, if we're ready to go, I will turn it over to the Atlantic Canada Opportunities Agency for their opening five-minute statement.

As you take the floor for each of your organizations, if you would like to introduce yourself and then go into your statements, that would be appreciated.

ACOA, the floor is yours. When you start speaking, I will start the clock for your five minutes.

**Mr. Chuck Maillet (Vice-President, Nova Scotia, Atlantic Canada Opportunities Agency):** Good morning, Mr. Chair and committee members.

Thank you for the invitation to appear today. My name is Chuck Maillet. I am the vice-president for the Atlantic Canada Opportunities Agency, or ACOA, for Nova Scotia's operations. I'm joined by my colleague David Boland, director general of regional operations for the Newfoundland and Labrador office.

I am joining you today from Halifax, the unceded territory of the Mi'kmaq people.

Mr. Chair, in Atlantic Canada, natural resources industries are important employers and contributors to the economy. As key economic drivers in many communities, small and large, across the region, these industries are a priority for ACOA.

The agency works to create opportunities for economic growth in the region by helping businesses become more competitive, innovative and productive, and by working with diverse communities to develop and diversify local economies, and by championing the strengths of Atlantic Canada.

[Translation]

Through its suite of programs and initiatives, the Atlantic Canada Opportunities Agency is well placed to work with businesses, industry associations and government agencies at all levels to help our region's natural resource industry remain stable, innovative and competitive, and to improve its resilience to the effects of extreme weather.

As such, agency employees in more than 30 communities, from our major cities to resource-dependent villages, work closely with community representatives, provincial governments, indigenous organizations and other economic stakeholders to identify priorities and opportunities to maximize the potential of our region's natural resources in a strategic and sustainable manner.

In addition, our presence on the ground allows us to provide effective and targeted advice and support that helps businesses in the natural resources industry grow, diversify and offer new or value-added products and services, and adopt or adapt new technologies to become more innovative, productive and competitive. We also help businesses access supply chains and start or expand exporting their products to domestic and international markets.

[English]

I can give you some examples. In the oil and gas sector, we've assisted the industry associations econext and Energy NL to conduct a project titled "net zero pathways", which will provide detailed pathways for Canada's offshore oil and gas industry to achieve net-zero GHG emissions targets in offshore oil and gas production by 2050 while maintaining economic development and industry growth.

In addition, we have supported Enaimco management in St. John's, Newfoundland and Labrador, to commercialize its digital twinning services for subsea infrastructure monitoring, which will significantly reduce greenhouse gas emissions, operating costs and risk for operators.

In the forestry sector, we supported Lewis Mouldings in Weymouth, Nova Scotia, to automate its operations to process waste wood into new products.

In the mining sector, we've partnered with Tacora Resources in Wabush, Newfoundland and Labrador, in the development of a new innovative process to separate manganese from iron ore, resulting in a higher-grade iron concentrate.

Additionally, ACOA supports research aimed at sustaining and growing the region's natural resources industries, with over 20 projects supported to date.

ACOA's efforts are focused on assisting SMEs, and complement the work of other federal departments and agencies like Natural Resources Canada. We do share a goal of supporting the competitiveness of Canada's natural resources industries, and in our particular case Atlantic Canada's, by helping small and medium enterprises to diversify products, markets and processes.

ACOA will continue to work with natural resources industries' players, especially small and medium enterprises, all levels of government and community leaders to ensure that Atlantic Canada's

natural resources industries can take advantage of emerging opportunities and continue to thrive, create jobs and help grow the economy.

• (1110)

[Translation]

This concludes my remarks. Thank you for your time. I will be pleased to answer any questions you may have.

[English]

**The Chair:** Great. Thank you so much for your opening comments.

Next we'll go to Canada Economic Development for Quebec Regions. I believe Madame Petit will be providing the opening statement.

Go ahead when you're ready, Madame Petit, and I'll start the clock. Thanks very much.

[Translation]

**Ms. Marie-Claude Petit (Vice-President, Operations, Canada Economic Development for Quebec Regions):** Thank you, Mr. Chair.

I'd also like to thank the members of the committee.

My name is Marie-Claude Petit, vice-president of Operations at Canada Economic Development for Quebec Regions. From Montreal I'd like to thank the first nations who have used and occupied this land for millennia for welcoming us to their traditional territory.

I'm pleased to be here today to talk to you about our agency's activities in Quebec. Canada Economic Development for Quebec Regions, or CED, is the key federal player when it comes to the economic development of the regions and SMEs.

To begin, I'd like to point out to the committee that CED, like other regional development agencies in Canada, isn't sectoral. We don't have a mandate to intervene in one industry or another.

[English]

Rather, our mandate is to foster conditions for economic growth in the regions we serve. We are interested in the natural resources sector because it is a solid driver of growth in some regions. Our intervention priorities address such cross-cutting economic issues as the competitiveness of SMEs, market access issues, the necessary transition to net zero and support for devitalized communities.

Canada Economic Development supports SMEs, and the organizations that assist them, in the development, marketing and adoption of technologies. We also support the development of community assets, including tourism and the promotion of foreign investment.

[Translation]

In all areas of activity, we pay particular attention to projects led indigenous people or that could benefit their communities.

[English]

Just as they are all across Canada, natural resources are an asset for Quebec and an economic driver in several of our regions.

[Translation]

When they are related to businesses or economic players in this sector, our investments aim, among other things, to lead Quebec's regions beyond resource extraction, in order to protect them from the cyclical and structural challenges associated with it.

That's why our interventions don't directly affect natural resources development, but rather support secondary and tertiary processing activities, when they are promising projects for their region.

We also promote the creation of innovation ecosystems, such as those that are deployed in the college centres for the transfer of technology, or CCTTs.

For several years now, we've been supporting Nergica, a CCTT affiliated with the Cégep de la Gaspésie et des Îles that works in the wind and solar energy sector.

In Saguenay—Lac-Saint-Jean, we invested in a project with Agrinova, another CCTT created by Collège d'Alma, to set up a centre to process forestry waste, in addition to acting as a business accelerator.

[English]

By focusing on these promising sectors and leveraging the competitive regional advantages, Canada Economic Development is contributing to the economic vitality of the regions and helping them obtain exposure, both within Quebec and beyond its borders.

We also play a key role in terms of integration and networking, which allows us to bring the right partners together for a given project.

This type of collaboration allows us to deliver on large-scale projects for our regions.

[Translation]

We also rely on cross-sectoral co-operation and, of course, on collaboration with the Quebec government, a partner we have a special relationship with.

[English]

CED's approach is nimble, agile and focused on our community. We prioritize projects that generate long-term economic benefits.

[Translation]

Canada Economic Development will continue to support Quebec businesses and regions to foster a greener, more resilient economy for everyone.

Thank you. I will be pleased to answer any questions you may have.

[English]

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

We'll move now to the Canadian Northern Economic Development Agency.

You will also have five minutes for your opening statement.

• (1115)

**Ms. Margaret Buist (Vice-President, Policy, Planning, Communications and Northern Projects Management Office, NPMO, Canadian Northern Economic Development Agency):** Thank you, Chair and members.

My name is Margaret Buist. I am the vice-president of policy, communications and northern projects at the Canadian Northern Economic Development Agency, or CanNor. I will be providing my opening remarks in both English and French.

Like other regional development agencies, CanNor is responsible for promoting economic development within a distinct region of this country. In our case, the region is the three territories.

[Translation]

Our fundamental responsibility is to support the conditions for a sustainable, diversified and innovative economy in collaboration with northerners and indigenous peoples, businesses, organizations, other federal departments and other levels of government.

[English]

The natural resources sector remains a cornerstone of the northern economy, primarily driven by the mining industry, which is the largest private sector contributor to the territories' economies, accounting for approximately 23% of the GDP in 2020 and likely to reach over 28% by 2024.

[Translation]

Much of Canada's mineral potential lies in the territories, including critical minerals that are essential to Canada's economic security and its transition to a low-carbon economy.

[English]

While the region north of 60 presents 40% of Canada's land mass, more than 75% of the region's known mineral deposits remain undeveloped due to a significant infrastructure deficit and high operational costs, amongst other factors.

[Translation]

The gross domestic product of all the territories is expected to grow over the next few years. This growth will be largely driven by the mining sector, particularly in Yukon and Nunavut. However, the Northwest Territories is facing headwinds due to lower mineral exploration investment activity and the planned closure of diamond mines.

[English]

CanNor is guided by its pan-territorial growth strategy, which is aligned with the Government of Canada's Arctic and northern policy framework. Much of the agency's funding is centred on foundational investments intended to attract economic development, including in the natural resources sectors. CanNor has invested over \$38 million for 72 projects since 2015 in energy, forestry, minerals and geoscience sectors.

[Translation]

For example, CanNor invested \$1.26 million in the Nechalacho project in the Northwest Territories to fund innovative ore-sorting technology that makes the process more environmentally friendly. This is the first rare earth mine in production in Canada and one of the first to have an indigenous company responsible for mining on its traditional territory.

[English]

CanNor also invests in preconstruction readiness of foundational infrastructure projects that, when built, will improve the competitive position of resource development projects. For example, there's \$1.28 million to advance planning for the road that will connect the Slave Geological Province in the Northwest Territories to the Kitikmeot Inuit region of Nunavut. There's more than \$875,000 toward an all-season Mackenzie Valley Highway. There's \$1.6 million to support the Kivalliq hydro-fibre link between Nunavut and Manitoba. There's also \$480,000 to support the planning of the proposed Taltson hydroelectricity expansion project.

[Translation]

The renewable energy sector is expanding in the territories to reduce their dependence on diesel. Over the past three years, CanNor has invested more than \$16 million in energy projects. I'll give you a few examples.

- (1120)

[English]

There's CanNor's \$4.6-million investment in the Old Crow solar project to support the Vuntut Gwitchin in equipping their community members with the knowledge and experience to manage operations, and \$1.2 million to the Qulliq Energy Corporation in Nunavut to study geothermal potential.

Other resource sectors are smaller in the north, although they are important for economic diversification. For instance, we're helping a small indigenous women-led business called Yukon Timber, a local Whitehorse firewood supplier, expand its services.

[Translation]

CanNor will continue to work with territorial governments, indigenous partners and industry to advance resource development projects in the north that support sustainable economic development.

[English]

I'm happy to address any questions you may have.

**The Chair:** Great. Thank you so much.

Now we'll be moving to the Federal Economic Development Agency for Northern Ontario.

**Ms. Lucie Perreault (Executive Director, Programs, Federal Economic Development Agency for Northern Ontario):** Good morning.

It is my privilege to appear before the committee today.

I would start by acknowledging that I'm joining you from Sudbury, which is located on land within the Robinson Huron Treaty territory.

I'm here in my capacity as executive director of program delivery for the Federal Economic Development Agency for Northern Ontario, also known as FedNor.

FedNor serves a dual role, both as pathfinder and funding partner, connecting the region's businesses and stakeholders to opportunities, and investing in key initiatives that lead to job creation and economic growth in our great region. In northern Ontario, this includes support for projects in key sectors that are the focus of the committee today.

The mining sector, in particular, is a key driver of northern Ontario's economy, and the region is widely recognized as Canada's centre for mining excellence. In addition to many operating mines located across the region, northern Ontario is also home to a substantial supply and service subsector that serves mines across the country and exports its products around the globe.

To support the continued growth of the mining sector, FedNor is focused on key activities including promoting the adoption and commercialization of new technologies, fostering linkages between businesses and institutions and improving trade and export performance. Since 2015, FedNor has invested more than \$28 million toward 48 mining projects that have leveraged a further \$106.5 million.

For the past eight years, FedNor has funded a pavilion that now showcases more than 100 mining-related businesses at the Prospectors & Developers Association of Canada—PDAC—convention. There, exhibitors have used the opportunity to form strategic alliances, strike business deals and increase exports. They have recommended some \$85 million in direct economic benefits for the region.

To further support mining innovation and to reinforce links in the mining ecosystem, FedNor also works with public sector organizations, such as colleges, universities and innovation centres, with a mandate to support the mining industry or SMEs in the mining supply chain. This past summer, FedNor invested \$2 million in two key battery electric vehicle projects in Greater Sudbury.

Northern Ontario's wealth of mineral deposits positions the region as a key player in the global supply chain for electric vehicle batteries and clean energy. As such, FedNor's focus on mining also includes emerging opportunities around critical minerals. As we move forward in developing the mining ecosystem, FedNor's focus is to support projects that move beyond simple extraction and into value-added production. Our goal is to maximize the benefits for northern Ontario communities, while ensuring that we do so correctly by working closely with many indigenous communities and rural communities in our region.

Speaking of which, northern Ontario is, of course, home to the Ring of Fire. This is a region in the Far North that contains concentrations of chromite and nickel worth up to \$60 billion. There's enough to be mined for decades. The Ring of Fire falls within the traditional territories of several remote first nations communities and has the potential to benefit these communities, if done right, and help grow the economy at both the provincial and national levels.

FedNor has supported a variety of initiatives in these rural and remote communities to build the capacity they need in order to take advantage of the economic opportunities coming forward.

[*Translation*]

Now that I've touched on mining, I wanted to quickly touch on the forestry industry in the region.

Northern Ontario accounts for more than 75% of the province's productive woodlands, and is home to 70% of the province's mills, accounting for more than 35,000 jobs. But while the forestry sector is an important contributor to the region's economy, it faces a number of challenges. Some of these include the high costs of transportation, energy and labour, and the difficulty companies have in recruiting and retaining skilled labour.

To help address these challenges, FedNor has supported 33 projects in the forestry sector since 2015, representing an investment of more than \$12.7 million. In response, northern Ontario mills have been upgrading and diversifying their operations to develop value-added products. Just last month, FedNor invested \$1.7 million to support the expansion of a value-added sawmill operation in a First Nation near Thunder Bay, who is now diversifying its product line and increasing production.

● (1125)

[*English*]

In conclusion, as you can see, natural resources are vital to the economic success of northern Ontario. FedNor will continue to play a key role in supporting economic development opportunities in these sectors of growth.

We would be pleased to answer any questions.

Thank you.

**The Chair:** Great. Thank you very much for those comments.

We move now to the Federal Economic Development Agency for Southern Ontario.

You have five minutes for your opening statement.

**Ms. Linda Cousineau (Vice-President, Business Innovation and Community Development, Federal Economic Development Agency for Southern Ontario):** Thank you very much, Mr. Chair.

Good morning, committee members and federal colleagues.

Thank you for the invitation to appear today. My name is Linda Cousineau. I'm the vice-president of business innovation and community development for the Federal Economic Development Agency for Southern Ontario, or FedDev Ontario for short. I'm joined virtually today by my colleague Steve Masson, who is the director general for strategic policy.

Before I begin, I would like to acknowledge that I am speaking to you from Waterloo on the traditional territory of the Neutral, Anishinabe and Haudenosaunee peoples. Waterloo is situated on the Haldimand Tract, land promised to Six Nations, which includes six miles on each side of the Grand River.

I'm pleased to be here to discuss the committee's examination of federal assistance to natural resource industries. FedDev Ontario was created in 2009 with an initial five-year mandate to provide critical stimulus support in southern Ontario in response to the 2008-09 economic downturn.

In 2019 the agency was made permanent, and its mandate since that time has evolved. It is now an important partner that delivers funding programs to help growing businesses innovate and scale. It also supports the development of regional ecosystems and the diversification and economic development of communities across southern Ontario.

This past September, Minister Tassi was assigned responsibility for the agency with a mandate to promote job creation and drive clean and inclusive economic growth across southern Ontario. Our region accounts for more than a third of Canada's overall GDP and employment. Its economy has a major impact on prosperity across Canada. Its 289 distinct and diverse communities include a mix of large urban centres such as Toronto and Ottawa, mid-sized cities like Windsor and Kitchener-Waterloo, and smaller rural communities from Hawkesbury to Sombra.

The region is a service economy and manufacturing hub. It is home to such globally integrated sectors as manufacturing, life science and agri-food. Emerging areas, such as artificial intelligence, electric vehicles and clean energy technologies, also have a footprint.

The region's economy is increasingly innovation-driven. Our resource sector is becoming part of that story. Our petrochemical sector is transforming to seize new clean-fuel opportunities. The region's energy sector is at the forefront of nuclear innovation with spinoff technologies, such as small modular nuclear reactors, having the potential to drive significant carbon reductions.

Finally, increased access to critical mineral resources is expected to directly benefit southern Ontario's growth, given that they are key inputs to the battery manufacturing cluster that is emerging in the region.

Like other regional development agencies, FedDev Ontario delivers programs tailored to regional growth opportunities, challenges and the government's economic priorities. Since 2015 the agency has invested over \$2.2 billion in over 3,000 projects across the region. These investments helped create or maintain over 180,000 jobs, and are leveraging over \$3.1 billion in additional investment in the region. They are helping build a more vibrant, diverse and inclusive economy and create future-looking jobs in communities across southern Ontario.

[Translation]

In response to the government's clean growth priority, the agency is investing in companies that are commercializing clean technologies. These investments have potential to drive carbon emission reductions and green outcomes in major resource projects.

While FedDev Ontario does not have dedicated programming for the resource sector, we recognize that there are parts of the region where the sector and its downstream activities are critical economic drivers. Southwestern Ontario contributes to Canada's efforts in developing clean fuels.

For example, Sarnia and the surrounding area was a key petrochemical hub for decades and a key node in the region's energy infrastructure. In recent years, support from FedDev Ontario, such as our investment in Bioindustrial Innovation Canada (BIC) has contributed to transforming the area into a national leader when it comes to sustainable chemistry and clean fuels. This, among other investments in innovative and growing companies that are commercializing clean technologies, can support sustainable growth for the province's natural resource sector.

Thank you again for the opportunity to be here today. I look forward to hearing from my colleagues and answering any questions committee members have about the resource sector in southern Ontario and FedDev Ontario's investments in growth and innovation.

• (1130)

[English]

**The Chair:** Thank you for those opening comments. We'll jump now to Prairies Economic Development Canada. When you are ready, please start, and we'll give you five minutes.

**Mr. Abdul Jalil (Assistant Deputy Minister, Prairies Economic Development Canada):** Good morning, Chair and honourable members.

My name is Abdul Jalil and I am the assistant deputy minister for the PrairiesCan Saskatchewan region. I'm joined by my colleague Joanne Pawluk, director general of business innovation and community development.

I'm pleased to be speaking with you from Regina on Treaty Four territory, the traditional land of the Cree, Ojibwe, Saulteaux, Dakota, Nakota and Lakota peoples, and the homeland of the Métis Nation.

PrairiesCan is the federal department that supports economic growth in Alberta, Saskatchewan and Manitoba. We provide targeted investments, advocate for the Prairies' interests and collaborate with stakeholders across the prairie provinces. Our programs and services are sector-neutral. They help businesses, not-for-profits and communities grow stronger.

Since November 2015, we have invested more than \$1.5 billion to diversify and grow the western Canadian economy, support innovation and stimulate the Canadian economy with pandemic support programs.

While our programs are not sector-driven, we have identified an estimated PrairiesCan investment of roughly \$50 million for more than 90 projects closely linked to the natural resource sector and several tens of millions of dollars in indirect support since 2015. From oil and gas to hydro, and from potash to minerals and uranium, the natural resources sector supports quality jobs and helps communities prosper.

I'm pleased to share a few examples of these projects. We recently invested \$7.5 million to establish two new rare earth element processing facilities in Saskatchewan. They are the first in Canada, and one of them will be the first of its kind in North America. These facilities mark the creation of a new value-added natural resource industry in Canada and a significant step toward establishing a secure domestic rare earth supply chain.

Earlier this year, PrairiesCan also announced more than \$2.1 million to support the Energy Transition Centre. Based in the heart of downtown Calgary, this centre provides a space where Canada's largest energy companies can collaborate with clean energy startups, innovators and investors.

We invested \$75,000 in the International Minerals Innovation Institute to undertake Saskatchewan's first ever alternative energy systems innovation challenge. This challenge connects mining companies and local businesses to support the accelerated application, scale-up and adoption of clean technology in the mining sector.



We are also making strategic investments in the growing hydrogen sector and have committed more than \$6 million in support of hydrogen projects to date. Our investment has enabled the launch of the Edmonton Region Hydrogen HUB, an alliance of government, indigenous, academic and economic development leaders. This is Canada's first hydrogen hub, and it serves as the blueprint for other hydrogen nodes across the country.

In addition, carbon capture, utilization and storage technologies will play a vital role in enabling Canada to meet its net-zero commitments. That's why we invested more than \$1.5 million for carbonNEXT, a Canadian commercialization hub for carbon capture, utilization, storage and monitoring technologies.

We make investments to support inclusive economic development as well. For example, we invested \$150,000 to support the mineral-rich communities of Northern Saskatchewan in the Athabasca basin. This funding supported training and employment opportunities for residents, including indigenous participants, when they were affected by the slowdown of uranium mining. The Athabasca basin is now identified as one of Canada's critical mineral-rich regions.

• (1135)

The team at PrairiesCan has deep roots on the Prairies. We are engaging communities and collaborating with diverse interests to support sustainable economic development in the natural sector. Our intent is a strong economy that works for everyone.

I would be pleased to answer your questions.

Thank you.

**The Chair:** Thank you for those opening comments.

For everybody's information, unfortunately PacificCan was unable to provide us with a witness today, but they have indicated that we will be receiving a written brief by the end of next week in both official languages. I'll circulate that document to committee members as soon as we receive it from PacificCan.

Now, for the last opening statement for this morning, we're going to the Canada Energy Regulator.

You'll also have five minutes for your opening statement.

**Mr. Jean-Denis Charlebois (Chief Economist, Canada Energy Regulator):** Thank you, Mr. Chair and honourable members.

My name is Jean-Denis Charlebois, and I am chief economist at the Canada Energy Regulator. I am joined by my colleague Jess Dunford, director of major projects oversight at the CER.

I want to acknowledge to you today that I am speaking to you from Montreal, the traditional territory of the Kanien'kehá:ka, or the Mohawk, a place that has long served as a site of meeting and exchange amongst nations.

[Translation]

Thank you for the opportunity to appear before you today to speak about our work at the Canada Energy Regulator, or CER, and how it relates to your study of federal assistance to various natural resources sectors, including the energy sector.

I would also like to thank the committee for your flexibility as several members of our senior management team are at home recovering from illness.

I am going to speak to you today about the CER, our mandate, how energy infrastructure projects under the CER's jurisdiction are assessed, and provide some context about the CER's role as it pertains to the Trans Mountain Expansion Project, or TMX.

[English]

At the CER, we work to keep energy moving in Canada while enforcing some of the strictest safety and environmental standards in the world. In everything we do, safety and environmental oversight are always at the forefront. It is the reason we exist.

The CER is a cost-recovered organization, which means that the cost of virtually all of our activities is recovered by the Government of Canada from the industry we regulate, in accordance with our cost recovery regulations.

It's very important to point out that the CER does not develop or set government policy, nor is the CER involved, in any way, in federal programs designed to provide assistance to the natural resources sector. We are the regulator. Questions on these matters are best directed to my colleagues on the panel today, as well as previous panels that you've seen this week from Natural Resources Canada, for example.

The commission of the CER is a court of record responsible for making independent adjudicative decisions and recommendations on pipeline, power line and offshore renewable energy projects under federal jurisdiction. Our commission assesses project applications to make a determination or a recommendation as to whether the project is in the public interest.

As a regulator, we oversee the safe construction, operation, decommissioning and abandonment of energy infrastructure.

In addition to our adjudicative role, the CER provides oversight throughout the life cycle of pipelines and power lines under federal jurisdiction. Our standards are among the highest in the world, and we conduct inspections and company audits to ensure compliance with all regulatory requirements during construction and ongoing operations. We also partner with indigenous peoples in undertaking our life cycle oversight.

Alongside our regulatory functions, the CER plays a vital role in providing timely and relevant energy information and analysis to support the energy conversation in Canada. For example, we model, based on different assumptions, how possible energy futures might unfold for Canadians over the long term under various scenarios in our energy future series. The next iteration of the CER's "Energy Futures" report will include scenarios where Canada meets net-zero emission by 2050, and will be published next spring.

Since the TMX project was approved by the Governor in Council, the CER has been actively involved in monitoring the construction of the project and ensuring compliance with regulatory requirements. Once the project's construction phase has been completed, the CER will continue to provide life cycle oversight to ensure that it is operated in accordance with our world-leading environmental and safety standards.

Additionally, I would like to note that the then NEB back in 2018 had no role in the government's decision to purchase the Trans Mountain pipeline. The NEB did not provide any advice, nor was it consulted by the government prior to the purchase.

• (1140)

[*Translation*]

Thank you for giving me the opportunity to speak with you today about the work of the Canada Energy Regulator, and more specifically, about our role relating to the Trans Mountain Expansion Project.

I look forward to your questions.

[*English*]

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

Thank you so much for those opening comments.

I want to say that I understand there are some members of the Canada Energy Regulator who have fallen sick. We are hoping that they are on their way to a speedy and full recovery. Please pass along those wishes to your team.

Before we get started, I wanted to welcome Mr. Hoback, Mr. May and Mr. Miao as guests to our committee today.

With that, we're going to get right into our rounds. We'll see how far we can get. The first round is of six minutes each.

First up, I have Mr. Falk. It's over to you for six minutes, when you're ready.

**Mr. Ted Falk (Provencher, CPC):** Thank you, Mr. Chair.

Thank you to all of the panellists and department heads who have testified here this morning. I appreciate your testimony and I've learned quite a bit.

I note that many of you are in your home offices. I'm wondering if this is departmental policy. Why is it that you wouldn't be in your normal offices?

**Ms. Julie Dabrusin (Toronto—Danforth, Lib.):** Mr. Chair, I'm not sure how that question pertains to our study about investments in natural resources.

**The Chair:** I've stopped the clock.

You know I tend to allow a lot of latitude with these. I'll let the question stand.

We have seven witnesses here. Use the six minutes as you go through....

I'll see if anybody wants to weigh in on that.

**Mr. Ted Falk:** Thank you, Mr. Chair.

I think it's important because—

**Ms. Julie Dabrusin:** I'll explain my objection.

There might be personal reasons why people have to work from home. I don't think we should be asking public servants for personal information on why they may have to work from home or why they may have made that choice.

**Mr. Ted Falk:** Mr. Chair, my question was whether it is a policy that people are working from home, or whether it is an individual decision. I think it's a relevant question.

We've heard lots over the last several weeks and months about the slow movement of federal agencies to deliver services to Canadians. I'm wondering whether part of that is because we have a disproportionate amount of our federal employees working from home.

**The Chair:** Mr. Angus has his hand up.

Charlie, if it's for a point of order, please weigh in. We'll then get back to a decision by me on our next step.

Charlie, you have the floor.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** I think it is highly inappropriate, given the fact that some of my Conservative colleagues have phoned in their committee testimony from home and were not sitting around the table. If we're going to allow MPs to do that—I've watched many MPs in the Conservative Party speak in the House from home—why is our colleague is trying to attack civil servants who are here to talk about investments that the government is making in our communities?

• (1145)

**The Chair:** Thank you.

I have heard from the witnesses. I think there are issues—as Ms. Dabrusin has said—about personal reasons.

I will see if one representative would like to weigh in on whether there is a policy from their respective agency. Perhaps we can then move to the next round of questions.

I see Ms. Buist has her hand up. I'll turn it over to you.

**Ms. Margaret Buist:** Thank you, Chair.

I can't speak for all of us, but I know that the clerk has asked the deputies to institute hybrid work models for public servants in the federal public service. All of us are working on hybrid work models, which means that we spend some time in the office and some time in home offices.

I would say that we also spend a lot of time in communities. We spend time at mining conferences. It was just Mining Day on the Hill. We are back and forth, doing whatever works most effectively and efficiently for all of us, given the types of jobs that we do.

On the speed of service, I can tell you that this group was at the forefront of providing economic relief at the commencement of the pandemic in 2020 and 2021. My colleagues here on the screen and I worked 60, 70 or 80 days straight in 2020, getting economic development relief funding out the door.

This is a group that can work from anywhere, and we often do. We are in various locations today.

**The Chair:** Great. Thank you for that.

**Mr. Ted Falk:** Mr. Chair, that satisfies my question.

**The Chair:** Okay. Carry on.

**Mr. Ted Falk:** I was particularly interested in what the source was. I think Ms. Buist has provided that. Thank you very much.

I appreciate all of the work that our federal civil servants do, and how you contribute to our local communities and the economy. I think it's vitally important, and I thank you for it.

Ms. Buist, as you responded, I'd like to ask you a few questions on your testimony.

You used the word "invest" a lot, as well as "foundational investments". My question would be whether these investments mean that, as a department and an agency, you also take an equity position in some of the companies that you invest in.

**Ms. Margaret Buist:** No, we do not take an equity position. We provide funding, and it depends on our various programs. Each of us has some national programs, and we also have some very agency-specific programs. They are grants, they are contributions, and we have repayable loans and, in some cases, non-repayable loans. I can only speak for CanNor in saying that we don't take equity positions in the projects that we fund.

**Mr. Ted Falk:** My next question is on the repayable loans you issue to different communities, organizations or small businesses. What percentage of repayment do you experience as an organization?

Do you have significant loan losses? That would be another question.

**Ms. Margaret Buist:** Each of us is different, and I can only speak for CanNor. It was just within the last couple of years that we began to do repayables, so we don't have a long history of doing that or a long set of statistics on the repayables. It might be better if one of my colleagues who has much more experience with repayable loan funding answered your question.

**Mr. Ted Falk:** Okay, thank you for that.

You mentioned that you invested \$1.2 million in a geothermal study. To me, geothermal is a proven technology and concept, and I'm wondering why we're still studying the issue. Was it an application-specific study? If we're going to make an investment, why wouldn't we just invest in the project itself as opposed to a study?

**Ms. Margaret Buist:** That particular project is taking place in Nunavut with the Quilliq Energy Corporation. It is a new type of

energy generation potential in Nunavut. Nunavut is now 100% powered by diesel, and this is an Inuit regional corporation that is looking at the possibility of introducing geothermal in the geography in Nunavut, which is pretty much all rock, so they're looking at whether it's possible to do it. There are lots of different considerations that go into this type of project in the northern environment and—

• (1150)

**Mr. Ted Falk:** Thank you very much.

I'd like to move over to FedNor for a minute.

You talked about the Ring of Fire. I met with the Mining Association of Canada this past week, and they talked a little bit about the approval process. Can you speak specifically to Bill C-69? Has that increased or decreased the speed at which approvals can be granted to small and medium-sized prospectors and miners?

**Ms. Lucie Perreault:** I can't particularly speak to Bill C-69. I'm sorry; it would be a different department.

**Mr. Ted Falk:** You don't know whether that has hindered the process for mining approvals.

**Ms. Lucie Perreault:** No, I don't know if it's hindered the process for mining approvals. I know there's been a lot of work and effort towards improving what we're doing around those, but I don't have the specific information to be able to respond to that question directly.

**Mr. Ted Falk:** Okay, thank you.

**The Chair:** We're out of time on that one, so we're going to move next to Ms. Lapointe, who will have six minutes.

**Ms. Viviane Lapointe (Sudbury, Lib.):** Thank you, Chair.

I'll be directing my questions to FedNor.

[*Translation*]

Good morning, Ms. Perreault. It's a pleasure to see you here today.

[English]

Before I ask my question, I want to share an observation. I had the opportunity to attend the PDAC convention this year, and I spent a lot of my time in the northern Ontario mining showcase. I talked to a lot of exhibitors, and a lot of them said that they would not be able to participate in PDAC if it weren't for FedNor's showcase pavilion and their subsidy of the exhibitor fees. I'm thinking of some of those small businesses, entrepreneurs and organizations like Collège Boréal that all expressed their appreciation for that, so I want to acknowledge that very important work. It's also the largest pavilion at PDAC, which in and of itself attracts 10,000 delegates, so it's quite an accomplishment.

At this committee, we often hear about the importance of capitalizing on the economic opportunities that are presented from the energy transition, and one of these opportunities is the development of critical minerals.

Can you tell us how FedNor has supported the sustainable development of this sector and its downstream uses?

**Ms. Lucie Perreault:** FedNor has supported the development of regional innovation ecosystems for decades. In northern Ontario, sustainable mining activities are supported through strong supply and services sectors that bring forward new and innovative products and technologies that will help mining or forestry companies improve productivity and efficiency while managing the environmental and social risks.

This is achieved through strategic investments in research or commercialization in areas such as underground mining technologies and the establishment of clean technology test centres in partnership with the private sector. Examples of that are the investment in NORCAT's underground mining technology, investments in Cambrian College and the testing of electric vehicle batteries and recycling, or investment in Northern College's innovation hub, where they're also using that information to help with innovative technologies.

Also, we've recently invested \$5 million for electric batteries with First Cobalt—if I can recall the name correctly—in order for them to support the development of cobalt. I guess it's processing of cobalt in that region that is used in critical minerals.

**Ms. Viviane Lapointe:** Thank you.

Yesterday we learned that Canada was ranked number two in Bloomberg's battery supply chain ranking. That was great news for Canada.

Can you tell us how FedNor has supported advancements in the zero-emission vehicles or electric vehicle battery production?

**Ms. Lucie Perreault:** We support, as I mentioned, the ecosystem that surrounds that—not necessarily supporting the businesses in the development or the larger mining corporations. We don't do that, but we do support the ecosystem and the mining supply chain, in particular with post-secondary institutions and our innovation centres that would help support testing, commercialization and indirect linkages with the businesses that can come to try out their products to make sure that they work. If we're talking about NORCAT, it's an underground mining testing facility where the business-

es can come to use a live, operating mine to be able to test their products.

On the other side, we've also supported an organization, Centre for Excellence in Mining Innovation, CEMI. From their history, they've developed into an organization that's quite substantive. More recently, they were able to obtain federal funding from the strategic investment fund to be able to develop what they call MI-CA, which is an innovation program specific to supporting businesses with clean technology investments in mining. They've just launched their first round of applications. They've leveraged, I think, up to a \$140 million with the private sector, federal and provincial governments in that initiative.

• (1155)

**Ms. Viviane Lapointe:** My next question will be directed to FedNor as well as to the Atlantic Canada Opportunities Agency.

Our government supports a strong resource development sector that is sustainable, creates economic opportunity for indigenous peoples, advances reconciliation and respects the environment.

Can you tell us how your agencies are working to advance reconciliation in the resource sector? Can you provide examples of some of these investments?

**Ms. Lucie Perreault:** We work closely with all our stakeholders, but, in particular, with first nation communities we have on-the-ground officers who work in each of the regions and take the time in order to be able to consult and work on different projects and support in that way.

If we're talking mining, I can say that there are two specific examples with indigenous businesses, Z'gamok on Manitoulin Island and Matachewan First Nation Limited Partnership. We've supported those businesses to purchase specialized equipment that enables them to then develop an IBA with the mine, like in the case of Matachewan with Kirkland Lake Gold, in order for them to be able to train indigenous youth in their first nations and be able to work within that mine in doing that. Those are two really good examples.

**Ms. Viviane Lapointe:** Thank you, Lucie.

Will the chair allow—

**The Chair:** Unfortunately, we are out of time. We won't be able to hear from ACOA. Perhaps somebody else can pick that up when it gets to them.

We will now go to Monsieur Simard for six minutes.

[Translation]

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

Mr. Charlebois, I am interested in the process that led to the purchase of the Trans Mountain pipeline. That process had to look at the viability of the project and the responsibility for the costs, and had to require the government to seek advice.

I can't believe that the Canada Energy Regulator never gave advice to the government before it made its decision. To your knowledge, was any advice or guidance given by the CER?

May I please ask you to respond briefly.

**Mr. Jean-Denis Charlebois:** No, there was not. We are a regulatory body—

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

This then means that the government made a decision to buy \$7.4 billion in infrastructure without asking for further input.

When I look at what has been done in the past, I see that Kinder Morgan was accountable to the Canada Energy Regulator as to how the expansion was going to be done. However, the government never asked the CER for information on the profitability of the project.

Presently, I feel that it is the state that is taking all the losses related to the purchase of the pipeline, while the big oil and gas gluttons will be able to use this infrastructure and reap only profits.

At the Canada Energy Regulator, were there ever any questions asked in connection with the purchase of the pipeline?

**Mr. Jean-Denis Charlebois:** First, the government's purchase of the pipeline was not subject to a decision by the Canada Energy Regulator, as it was an equity transaction by the government. As a regulator, we had no specific role to play.

Second, while the government did not seek the advice of the Canada Energy Regulator, or the National Energy Board as it was called in 2018, the government may have sought the advice of other organizations. However, we are not aware of this.

• (1200)

**Mr. Mario Simard:** I see.

You're telling me that the government bought a \$7.4 billion pipeline, that the pipeline costs \$21.4 billion today, and that the government made this decision, which, let's face it, was very questionable economically, and you had no knowledge of what kind of information they relied on.

The Canada Energy Regulator does not know what kind of information the government had. This is what I understand. However, one thing bothers me.

I was looking at a document wherein Kinder Morgan told you in 2013 that if they were involved in the pipeline expansion, the operating costs should not be higher than the toll.

The Canada Energy Regulator said in 2019 that it would not be appropriate to raise the toll on the big oil gluttons, even though the operating costs have exploded. You said we should stick to 22 % of current overrun costs.

For me, this is a strange decision. It means that it is the state that bears all the risks and it is the state that pays for an infrastructure

for the oil gluttons, who, for their part, have absolutely nothing to bear.

Do you have any documentation to support this decision?

**Mr. Jean-Denis Charlebois:** First of all, the documents that explain how the tolls are going to be calculated are transparently available on the Canada Energy Regulator's website. I assume the government consulted them before making a decision on the pipeline purchase.

Secondly, you talk about tolls, so the tolls that will have to be paid by shippers. As we speak, we do not know what these tolls will be. The mechanics of their calculation are already available, but the final amounts have yet to be determined.

As long as this information is not available, we cannot assume that the fees will be too high or too low. The board of the Canada Energy Regulator will have to decide whether the tolls are just and reasonable when the case is presented to it.

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

Could you provide the committee with all the documents from the Canada Energy Regulator in relation to the pipeline and the famous toll issue?

**Mr. Jean-Denis Charlebois:** We can easily follow up and pass on—

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

Ms. Petit, in your presentation, you said that Canada Economic Development for Quebec Regions was a key federal player in regional economic development.

However, many people have approached me to say that your agency systematically refuses all projects involving the forestry industry. Is that your understanding as well?

**Ms. Marie-Claude Petit:** No, it is not.

We have approved many projects involving the forestry industry over the past year. Since 2015, we have already supported more than \$72 million in forest industry projects. There are different criteria to consider when we approve such projects.

In the past year, we have made a significant investment in Uni-board Canada in Val-d'Or. I was at the plant yesterday to see some of the work that will be undertaken. This is a major modernization of this facility, which creates a lot of jobs in the Val-d'Or region.

Investments continue to be made according to criteria and priorities that are established. We are also examining, in different regions, the possibility of developing projects that will allow the use, for example, of forestry residues.

I hope that answers your question.

• (1205)

[English]

**The Chair:** Thank you.

We're out of time.

We're going next to Mr. Angus, who will have six minutes.

**Mr. Charlie Angus:** Thank you, Mr. Chair.

Mr. Charlebois, in December 2021, the Canada Energy Regulator laid out its scenario for Canada's future oil production that predicted a major increase up into the 2030s. Then it would flatline. Then at 2050 it would be roughly similar to what it is today—slightly lower, but pretty close.

Is that the CER's projection today?

**Mr. Jean-Denis Charlebois:** What you describe is our projection from our “Canada's Energy Future 2021” report, which was under the evolving policy scenario. This means we have projected what would be the production of oil and gas in a context where Canada's climate policies were to become increasingly stringent, as they have been so far.

Perhaps I may add one point of clarification: This is not a scenario where Canada meets net-zero emissions by 2050. That specific scenario is something we are currently working on and will be available in the spring.

**Mr. Charlie Angus:** Okay, that's interesting, because Mr. Guilbeault said that with his green plan they were using the Canada Energy Regulator modelling. I find it dramatically at odds with what the International Energy Agency is saying. They say that the only way we're going to keep to 1.5°C—the red line from catastrophe—is to decrease from 100 million barrels a day to 24 million barrels a day in 2050. Yet, what we see is that Canada carries on as if it's business as usual, and I find that concerning.

One of the ways that we get to this major increase that you predicted, the extra million barrels a day coming up into the 2030s, of course, is the TMX pipeline.

I'd like to turn my comments to that.

The tolls for the shipping of the TMX pipeline were originally assessed when the value of the pipeline was \$1 billion. Kinder Morgan walked...when the costs were \$5.4 billion, because they couldn't pass those tolls on to the companies that were shipping.

Will you confirm that the CER has limited the cost overruns to \$7.4 billion of the cost of the pipeline? That would be transferred to shippers, but any overrun costs are not going to be transferred to the shippers.

**Mr. Jean-Denis Charlebois:** I cannot confirm that.

What I can confirm, though, is that the methodology that will be used to calculate the final tolls on the pipeline was approved in 2013. That methodology includes certain cost categories that are capped, and some that are not capped. This means that to the extent that there are cost increases above and beyond the cap for certain categories, then those cost increases are for the account of the pipeline rather than being able to pass those increases to shippers.

**Mr. Charlie Angus:** I'm sorry, but I'm running out of time here. These costs were figured in 2013. In 2022, this project is now \$21 billion, with massive overruns of at least \$17 billion.

Would you confirm that what the shippers are being told they will pay is 22% of the actual cost overruns based on a \$7.4 billion budget? All the rest of that, at least 78% of the shipping costs, is right now going to be subsidized by the Canadian taxpayer. Would you confirm that?

**Mr. Jean-Denis Charlebois:** I cannot confirm that, because that particular analysis, with all of the actual numbers and mechanics to do it, will be the subject of an application that is yet before the commission. I know the numbers you are citing have been floating around in the media. Some might have been available elsewhere. However, in terms of the actual regulatory review of final tolls for the expansion, this is a file that is not before the regulator, so I cannot speak to the accuracy of it.

**Mr. Charlie Angus:** Okay.

You spoke very clearly about your mandate in cost recovery. It would be an extraordinary free ride for very profitable companies if the Canadian taxpayer is covering 75% to 78% per barrel of every barrel that's shipped—an extraordinary subsidy.

At what point will the public be informed of whether or not we are paying the cost of every barrel that's shipped, on top of the \$21 billion that we're carrying for the price to this pipeline? Will the CER come back and say to the public, “We think it's in the public interest to transfer all of the cost to the shipper”—I mean, that's how the free market is supposed to work—or is it possible that we are going to be stuck with those costs?

• (1210)

**Mr. Jean-Denis Charlebois:** The regulatory proceeding that will be undertaken to evaluate the appropriateness of the tolls of the expanded system will be public for all Canadians to see. There are sometimes instances where some segments are confidential, but that remains to be determined. But by its very nature, the proceedings are fully transparent to the public.

**Mr. Charlie Angus:** Have you read the Parliamentary Budget Officer's report that says the TMX pipeline has a net negative value of \$600 million? Have you read his report? Do you concur with it, or do you think he has his facts wrong?

**Mr. Jean-Denis Charlebois:** I have read the report. It's not for me to judge whether the report is accurate or not. There are certain assumptions that are disclosed in the report. Other assumptions and mechanics such as the cash flow analysis is not public, so I cannot opine on whether it's accurate or not.

**Mr. Charlie Angus:** Thank you very much.

Would you be able to share with our committee any of the toll agreements that happened going back to 2013?

**Mr. Jean-Denis Charlebois:** Absolutely, that is what I will share. Yes, I agreed to that with Mr. Simard.

**Mr. Charlie Angus:** Thank you so much.

**The Chair:** Thank you. We're out of time on this round.

I'm just looking at the clock. We should be able to get through the full second round, which will take us 25 minutes, and then we'll see where we are at that point.

For five minutes, first up we have Mr. Patzer. When you're ready it's over to you.

**Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC):** Thank you very much.

Thank you to all the witnesses. It's great to see Abdul Jalil here today as well. You did some great work on a document on agriculture manufacturing and its importance to western Canada a couple of years ago.

I'm just going to ask you this, Mr. Jalil. Do you have a definition for “subsidy” that your department uses?

**Mr. Abdul Jalil:** Thank you very much. Can you explain—subsidy for what?

**Mr. Jeremy Patzer:** I'm just wondering if you have a definition that you use. What defines a “subsidy” for your department? Do you consider the money that your department puts out as a subsidy, or do you consider that just as a loan? What's the nature of it?

**Mr. Abdul Jalil:** There are two different key components when our department puts money out. One is for the ecosystem developments, and that is to non-profit organizations, mainly academic institutions or other such organizations, to build ecosystems, build the capacity there, so that's nonrepayable.

The other component is for business scale-up and productivity, and those are repayable contributions to the for-profit organizations.

I hope I answered your question.

**Mr. Jeremy Patzer:** Yes, thank you very much. I appreciate that.

I'm just wondering what kind of a return on investment Natural Resources Canada—for you, I guess, it would be PrairiesCan—getting from the infrastructure funding provided to coal transition communities.

**Mr. Abdul Jalil:** We are still making some investment in the coal transition initiative there, so it might be premature for me to point out the return on investment at this stage.

**Mr. Jeremy Patzer:** There was a two-year time frame when the government did nothing on the just transition, on coal transition. It was in a report by the Auditor General to the environment commissioner, so two years was completely lost to it.

Are you concerned about the impact that it is going to have on the communities that will be impacted by the coal transition?

**Mr. Abdul Jalil:** Again, that is something that maybe Natural Resources Canada would be in a much better position to answer.

**Ms. Joanne Pawluk (Director General, Business Innovation and Community Development, North, Prairies Economic Development Canada):** Maybe I could jump in there.

During that time, we continued to develop our coal programs, both the Canada coal transition initiative and the Canada coal transition initiative on the infrastructure side. We continued to work with our communities, and we were delivering the programs, so I wouldn't say for us, in the delivery of those programs, there was two-year hiatus.

On the Natural Resources Canada side, they were looking at broader just transition initiatives, but, in terms of the program de-

livery to those coal communities, there was no pause throughout COVID, and we continued to work.

• (1215)

**Mr. Jeremy Patzer:** Okay. Thank you.

To the Canada Energy Regulator, what is Canada's baseload rate of energy that is required to get through a given year, say for 2023, and then what's the projection for 2030?

**Mr. Jean-Denis Charlebois:** I don't have that particular data point at my fingertips, but I could follow up with the committee afterwards.

**Mr. Jeremy Patzer:** Yes, if you could submit to us what is currently required and if you have a projection number for 2030, that would be great.

Do you have a definition that you use for “subsidy” as a regulator?

**Mr. Jean-Denis Charlebois:** No, we don't. We don't administer those kinds of financial mechanisms.

**Mr. Jeremy Patzer:** Okay. That's okay. I just thought I would ask, just to see.

When it comes to the energy industry as a whole, how is Canada doing on checking out the life-cycle emissions of projects, both for the oil and gas side but also for the green sector?

**Mr. Jean-Denis Charlebois:** The regulatory framework, specifically for federally regulated pipelines, is about assessing the impact that the project will have on Canada's ability to meet its climate commitment. In terms of an assessment of a full life cycle of GHG emissions for any given energy source, this is not an analysis that the CER conducts. It's really focused on the emissions of a particular pipeline.

**The Chair:** Unfortunately, we're out of time.

We're going to go to Ms. Dabrusin next for five minutes.

**Ms. Julie Dabrusin:** Thank you.

I'm particularly interested in zero-emission vehicles, so I think I'll be asking a lot of my questions around that today, particularly because I see great synergies across our country when I see that a company like New Flyer, based in Manitoba, has a contract with my home city of Toronto to provide over 500 electric hybrid buses, which is an amazing way to support jobs in one city and, at the same, to also help in the transition in another city.

I noticed at the same time as I was looking into that bit of information that just recently there was an announcement—and this would be for the Prairies—of an investment in Manitoba for a vehicle technology centre to support the transition to zero-emission heavy vehicles.

I was wondering if I could get a little bit more information about that project. What is the hope as to what that would generate?

**Mr. Abdul Jalil:** I assume that's targeted to PrairiesCan.

It is to support the research partnership between companies to address and solve shared electric vehicle problems and issues. The Red River College Polytechnic and the Vehicle Technology Centre received \$3 million to create the clean technology and advanced manufacturing program.

This support is about the R and D of zero-emission heavy equipment vehicles.

One notable project is Frontiers North's EV tundra buggy that uses repurposed batteries from an electric bus to take tourists across the subarctic terrain of northern Manitoba.

I think it's more about the R and D when it comes to the electric vehicle.

**Ms. Julie Dabrusin:** Are there any estimates about the types of jobs or the number of jobs that this investment in electrical vehicle technology in the Prairies will generate?

**Mr. Abdul Jalil:** I can't provide you any specific number at this time.

• (1220)

**Ms. Julie Dabrusin:** Would you be able to provide it to me at a later time?

**Mr. Abdul Jalil:** We will look into it and see if we have a number that we can provide to you.

**Ms. Julie Dabrusin:** Thank you.

**Mr. Abdul Jalil:** Absolutely.

**Ms. Julie Dabrusin:** I was also curious, because I saw lots of great announcements happening in the Prairies, and it seems that recently there was an announcement in Calgary of the Energy Transition Centre.

I think I'm staying with you, Prairies.

Can you tell me a bit about the purpose of this Energy Transition Centre?

**Mr. Abdul Jalil:** Joanne, do you want to take that one?

**Ms. Joanne Pawluk:** Yes, I can speak to that.

The Energy Transition Centre was funding for the University of Calgary. It supports clean-tech start-ups and incubates decarbonization solutions.

We have provided just over \$2 million toward that Energy Transition Centre.

**Ms. Julie Dabrusin:** The reason I am interested in that is it seems to me, when I talk with renewable energy companies, that this is a booming sector in Alberta. I understand there are close to 200,000 clean-tech jobs in Alberta right now.

When you're looking at this Energy Transition Centre, what are you hoping are the spinoffs from that investment?

**Ms. Joanne Pawluk:** We're hoping for the development of new technologies, growth of companies and incubation of new companies that scale up and grow.

We have also looked at some studies here and funded some studies on the potential for the clean-tech sector. We recognize that there is tremendous potential in Alberta and across the country to invest in new technologies that are assisting not only the natural resource sectors, but all sectors in clean tech.

**Ms. Julie Dabrusin:** I have about 30 seconds.

Have you identified clean tech as one of the growing sectors for Alberta and for the Prairies?

**Ms. Joanne Pawluk:** Yes, absolutely.

**Ms. Julie Dabrusin:** Okay.

Thank you.

**The Chair:** Thank you.

Next we're going to Monsieur Simard, who will have two and a half minutes.

Monsieur Simard, it's over to you.

[*Translation*]

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

Ms. Petit, let's continue our conversation from earlier.

You mentioned the criteria used by Canada Economic Development in relation to the forest industry. Could you provide the committee with those criteria?

**Ms. Marie-Claude Petit:** We can certainly provide those criteria. All projects are assessed against a variety of criteria—

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

I know that all companies in the forestry sector that do primary processing, even if they have a project that involves secondary processing, cannot receive assistance from Canada Economic Development. They are immediately referred to Global Affairs Canada, whose decisions are all negative.

For example, in my region, there is a social integration enterprise that makes pallets and posts. It asked for help from Canada Economic Development. Its clients are not in the United States, but in Canada. However, it cannot receive assistance from Canada Economic Development because it is immediately denied by Global Affairs Canada.

This is therefore a serious problem for the development of remote communities, which often rely on the forest industry and whose small sawmills cannot receive assistance from Canada Economic Development because their applications are systematically denied.

Are you aware of this situation?

**Ms. Marie-Claude Petit:** Yes, this is a situation that we are looking at. We are looking to Global Affairs Canada to assess the criteria for some of the projects to ensure that we are respecting the Canada-U.S. relationship. That is part of the criteria for selecting and assessing projects.



On the other hand, as I said earlier—

**Mr. Mario Simard:** I understand.

I would like to know if you find it normal that Global Affairs Canada can prohibit a company from receiving financial support from Canada Economic Development, even if that company does not do business with the United States and does not ship its products there.

I wonder if this is not being done in a rather hasty manner and if we are not de facto denying everything that affects the primary and secondary processing of the forest industry.

**Ms. Marie-Claude Petit:** As I mentioned earlier, we still support a lot of projects in the forestry industry sector.

Global Affairs Canada's role is to make certain recommendations based on its expertise. For our part, at Canada Economic Development, we take into consideration the recommendations made to us.

At the same time, we look at a number of criteria, for example the whole aspect of innovation. If the project develops certain innovative elements, we will be more likely to approve it, regardless of the other elements brought to our attention.

• (1225)

[*English*]

**The Chair:** Thank you.

The two-and-a-half-minute rounds do go very quickly.

Now we're going to go to Mr. Angus for two and a half minutes.

**Mr. Charlie Angus:** Thank you very much.

I'd like to thank all our economic development agency representatives for the extraordinary work you did during COVID. You were a lifeline. We met with FedNor continually, the Venture Centre group in Timmins, and those projects kept our communities afloat, so I want to thank you for that.

Ms. Perreault, I want to ask you about FedNor. We fought a long and hard battle to get FedNor to be a stand-alone agency. What is your budget now that you have this status? I see year in and year out that it's \$31 million, \$35 million, sometimes \$38 million. Where are you now in terms of the grid that you have been working with in the past?

**Ms. Lucie Perreault:** Our core operating budget on grants and contributions is \$41 million. That hasn't changed, but we often deliver temporary national programs, so I would say that during the last year we delivered \$140 million or \$145 million, and the year before that, it was a little bit over that with the COVID funding.

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

I pretty much live with the Prospectors & Developers Association of Canada when it comes—and I pretty much live in the northern Ontario booth. I think there are a few extraordinary things that should be put on the record.

Number one, given that we have investors from around the globe, northern Ontario's footprint at that exhibition is much bigger than the EU's, and much bigger than anything from the United States and much bigger than anywhere else around the globe.

Northern Ontario is, to me, a major attraction, yet the businesses there tend to be small businesses, small SMEs, individual companies and first nations. How important is it? Do you have the funding you need to make sure that we can put all those northern Ontario businesses on display for the world at the Prospectors and Developers?

**Ms. Lucie Perreault:** The northern Ontario pavilion—and thank you for those nice comments on that—is targeting more small and medium-sized businesses in order to help them be able to go to attend and to make partnerships. What we're seeing is that the bigger organizations are going on their own and having their own bigger booths and different pieces like that, or coordinating, like the City of Sudbury, like a Sudbury night or that kind of thing,

The focus for FedNor around that pavilion is to make sure that organizations and businesses that want to get into there are able to come and build as part of the pavilion.

**Mr. Charlie Angus:** Thank you so much.

**The Chair:** Thank you.

Now, for five minutes, we're going to Ms. Stubbs.

**Mrs. Shannon Stubbs (Lakeland, CPC):** Thanks, Mr. Chair. I appreciate it.

Thank you to all the witnesses who have participated and appeared here today. We appreciate your time very much.

I have an initial question, which I suspect, quite reasonably, will probably have to be reported back in writing before the deadline for written submissions of this study. I'm wondering if each of the agencies can provide to this committee, for the timeline of the last three years, estimates or information on the economic impact of each of the investments, of all kinds, that have been made. Perhaps you can give a sense of how many jobs were created in each of those investments—

• (1230)

**Mr. Ted Falk:** By sector....

**Mrs. Shannon Stubbs:** Yes, by sector.... Ted is clarifying that for me.

Also, is it possible to give an estimate of the tax revenue generated from the economic activity as a result of the various investments in each of your agencies over the last three years?

If anybody can address that right now, that would be great, but it seems to me that's a pretty comprehensive and substantive question. It would be perfectly reasonable if this has to be followed up and submitted in writing after.

**The Chair:** [*Inaudible—Editor*].

**Mr. Randy Hoback (Prince Albert, CPC):** Thank you, Chair. That's a nice tie today that you are wearing, Chair, I must say. You're looking really dapper. It's nice to see.

I'm curious. Of course, it's taxpayers' money, and you guys are spending and responsible for a lot of it. I know you take that very seriously. I'm curious what you've been able to accomplish working with third parties to manage risk. When you're looking at doing different loans into high-risk sectors or new sectors, what is your process in bringing in third parties—the private sector, pension plans, stuff like that—to help spread off that risk for taxpayers?

Is there anything being done to spread that risk off into the private sector, or are you solely mandated to just do things on your own?

**Ms. Marie-Claude Petit:** I can take that question.

As I mentioned in my opening statement, we work with several partners to develop projects. Some projects have fewer partners; in others we are a very small player. Sometimes we can be 5% or even less of the project. We work with the private sector, other agencies and other levels of government to be able to support projects. Also, as you mentioned, some sectors are more at risk, so we put in place different mitigation measures to protect the funds that we invest in those elements.

There were questions earlier about the last.... I was checking, and just in the last years, CED has invested over \$250 million every year in regular programming, plus other investments with new initiatives. We had a zero.... Last year, before, it was a bit over \$2 million, so those are good investments.

**Mr. Randy Hoback:** Again, I know you're taking it very seriously. I'm curious, though, for my education. When you do those partnerships, where is the taxpayer in regard to security afterwards if something does go sideways or goes bad? Where do we rank in the security in recovering the funds that you've invested in those organizations?

**Ms. Marie-Claude Petit:** I won't go into all of the details, but we have different mitigation measures to see how we can recover those funds, and the success that we've had so far, as I mentioned, over the last few years shows that this works. Also, it's important that we do follow up closely on those projects to make sure that some adjustments can be made to ensure that we do safe management of those funds.

**Mr. Randy Hoback:** Again, it probably varies project to project, and in the amount of risk that you take, where you'd sit on a priority scale, then. I think that's fair. That's reasonable.

When you are going through the process of looking at new products or new projects, who sets the priorities for your region? Who says that next year your priority is going to be green energy, or next year it's going to be electric vehicles? Do you set that yourselves, or does that come down from the PMO, the minister's office, or something like that?

**Ms. Marie-Claude Petit:** Do you want me to continue?

**Mr. Randy Hoback:** You're doing well. If somebody else wants to hop in, too, that would be great.

**Ms. Marie-Claude Petit:** I can talk about CED. For sure, we have general, overall priorities that are given by our minister, but it's important to remember that I have 11 regional offices in various regions and there are different priorities. For Natural Resources, mining will be the priority of the Abitibi-Témiscamingue office. In Côte-Nord and Saguenay-Lac-Saint-Jean, it will be aluminum. It varies from one sector to the other in terms of sectors that it will support.

Greening our industry is an important aspect that we're looking at supporting. The indigenous community is another key aspect that we always look—

**Mr. Randy Hoback:** You mentioned green aluminum. I want to credit Mr. Martel, the Conservative MP in the region, for coining that phrase with the Americans, and for taking a commodity and making it a niche item in talking about what a great job Quebec and green aluminum do in the world marketplace. It's something we should all be proud of.

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

**Mr. Randy Hoback:** Do I have a minute?

**The Chair:** No. We're a minute over.

**Mr. Randy Hoback:** Do I have 30 seconds? I complimented your tie.

**The Chair:** You're at six minutes. I'm sorry. It's in the interests of keeping things going.

Now we're going to jump to Mr. Sorbara.

You have five minutes.

• (1235)

**Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.):** Thank you, Mr. Chair.

Thank you to all the witnesses today for coming and providing your thoughts and presentations.

I wanted to make a general comment to the development agencies. I've dealt with FedDev, as I refer to it. It's the Federal Economic Development Agency for Southern Ontario. They have invested in a number of projects in my riding, as well as in the region of southern Ontario and the GTA, where the investments have been critical for the projects to be undertaken, for catalysts for jobs, for innovation and for the creation of good economic standards of living for our residents, so I wish to say thank you.

My first question is for the Canada Energy Regulator. Thank you for your appearance. As an economist myself, I was interested in hearing, just out of curiosity...

When you are building your investments or cases, you're obviously taking an impartial look at each project. How do the sensitivities change over time?

When you're doing a base case, are you also doing sensitivity on your base case to see where the outcomes are?

**Mr. Jean-Denis Charlebois:** I assume your question relates to our energy information function that develops scenarios for the future. Is that correct?

**Mr. Francesco Sorbara:** Yes.

**Mr. Jean-Denis Charlebois:** In the past, those scenarios essentially stood by themselves, whereby we were making a series of assumptions and then we were running our models to see where the model would land us in terms of supply and demand of different commodities through time. We were not making any kind of formal sensitivity analyses that were included in our report, although we had that data in the background.

That said, we recognized that the path to net zero for Canada is uncertain. There are different ways to reach that ambitious outcome, and in our next “Canada’s Energy Future” report that I spoke about briefly—to be published in the spring of 2023—we will have a number of sensitivity analyses around those scenarios to explore. For example, what if the cost of carbon capture and storage is higher than expected? What would the implications be for the supply and demand of energy and the ability of Canada to meet its climate target?

In short, we didn’t have it in a formal manner in the past, although we had it in the background. We’ll have it in a formal manner in the future.

**Mr. Francesco Sorbara:** Reading the organizational structure of the CER....

For full disclosure, in a past life, I met with individuals from the NEB when I served in the global financial markets covering Canadian dollar debt issuers, many of which are customers or clients of the Canada Energy Regulator.

In terms of the consultation and the role of the indigenous advisory committee to the CER, can you provide some information on that, because indigenous consultation in this country is obviously very important? It’s a nation-to-nation relationship, so any colour there would be great.

**Mr. Jean-Denis Charlebois:** It is definitely a strategic priority of the CER to invest in reconciliation.

I will pass it over to my colleague Mr. Dunford, who will be able to provide you with the colour I think you are seeking.

**Mr. Jess Dunford (Director, Major Projects Oversight, Canada Energy Regulator):** Certainly. I’ll try to be brief.

I’ll offer that the indigenous advisory monitoring committees were set in place for both the Trans Mountain expansion project and the Enbridge line. There were three projects when they were first announced in 2016. There are multiple objectives that are in place for those advisory committees. At the heart of it, though, it’s intended to support indigenous nations’ effective and meaningful participation in the monitoring of the environmental safety and socio-economic aspects related to those projects.

We’ve learned much from our partners and colleagues on the IAMCs, but one of the hallmarks that I’ll point to is our indigenous monitoring program, which has expanded beyond those projects. We’ve now had over 100 field inspections that have benefited from the expertise that’s been provided from our indigenous monitors on the ground in inspecting those projects and ensuring compliance with the regulatory requirements in place.

**Mr. Francesco Sorbara:** Thank you.

I have one brief question. Obviously the robustness of the CER and its processes is very important to the people working in the energy sector, people working in the clean sector. There’s obviously a linkage between the two. The timeliness, the ability to get the analysis completed, is also important, especially in today’s world, where things are changing quickly and energy security and energy affordability are of paramount importance.

Can you speak to the timeliness and the ability of the CER to work under tight time constraints?

• (1240)

**Mr. Jean-Denis Charlebois:** There are a couple of points here. The first one is that the CER act prescribes, essentially, legislated time limits for the commission to make decisions and also recommendations on certain types of projects. It’s embedded in the act. It’s also stipulated that any given application needs to be processed as expeditiously as possible, given constraints and principles of natural justice and procedural fairness.

On top of this, the CER also has service standards that have been complied with over the past five years in terms of producing decisions over and above the legislated time limit that I spoke about earlier.

Then the last point is the strategic priority that we also have related to enhancing Canada’s global competitiveness, as stipulated in the CER act. There are a number of components to this. One thing I’ll mention is that we have a clear eye to making our processes as predictable as possible—not necessarily the outcome of them, but rather the processes we go through to assess an application—so that industry knows what the expectations are in terms of filing requirements, timeliness, as well as the different review steps that it will have to go through.

**The Chair:** We’re out of time on that round.

Colleagues, we have 20 minutes left. The next round should take 15 minutes, with five, five, two-and-a-half, and two-and-a-half minute questions. I do have an item that I circulated. I think everybody should have seen it. There are four quick items we can package into one motion. We could either do that right now, put it away, and get back to the final 15 minutes of questions, or carry through and leave five minutes to the end. Is there any preference on how we do that?

**An hon. member:** Finish the questions.

**The Chair:** We’ll finish the questions. Okay, we’ll then continue by going back to the Conservatives. Who do you have for your first five minutes?

Okay, Mr. Hoback, it’s over to you for five minutes.

**Mr. Randy Hoback:** Thanks, Chair. I just have a few questions, so I’ll maybe take two or three minutes; then we can speed things up, if that’s okay with you.

I'm just going to go back to the same round when I was finishing off my statement. We had a comment about New Flyer buses, out of Winnipeg, going to Toronto. It's nice to hear those stories. That's a good story.

There's a disappointing part to it. I had a great meeting with Uni- for this morning. It's amazing how they want to get rid of gatekeepers. They were talking to us about how gatekeepers are holding things up, like affordable housing and in things like that. One comment they made in regard to the facility in Winnipeg was that of those buses going to Toronto, 60% of them are made in the U.S. Because of U.S. regulations that forced New Flyer to move part of their manufacturing out of Winnipeg and into the U.S. to meet the U.S. requirements, 60% of those buses are still being made in the U.S.

I do compliment Toronto for doing that. Regina bought buses from China—that's ridiculous. I do think we should have more Canadian content in the products that are shipped and made here in Canada and bought here in Canada, just like other countries do around the world.

I'll go to my witnesses here. I'm just curious how you are working in regard to Canadian content when you're looking at, for example, electric vehicles and the supply chain for electric vehicles. How are you looking at the scenarios? Are you asking if there is enough Canadian content in the research and in the componentry going into these electric vehicles? Does that come into your formula as you look at that supply chain?

That would probably be a question for the southern Ontario agency.

Is there nothing on Canadian content, then, in regard to how you go to assess projects on whether they should be funded or not?

**Mr. Steven Masson (Acting Director General, Strategic Policy and Projects, Federal Economic Development Agency for Southern Ontario):** I could jump in on behalf of FedDev Ontario.

I'd say it's not so much on the assessment side. Through the indirect investments we make in the ecosystem, or eventually directly to a company as well, a lot of our investment portfolio is very much aimed at positioning southern Ontario-based suppliers to compete and thrive in these global value chains.

One investment we did make last year, in partnership with the APMA, was around the Project Arrow, which was building the first made-in-Canada concept vehicle for EVs. It involved over 40 parts suppliers at the outset, and it's 95% Canadian-sourced.

**Mr. Randy Hoback:** In that area, you're starting a pilot project right there, and I congratulate you for doing that.

How do you make sure that project now stays in Canada and doesn't get shipped out to the U.S. or somewhere else and get completed and built somewhere else? What is in the rules with regard to your funding mechanism to ensure that the Canadian taxpayers actually receive all the benefits from the work you're doing?

• (1245)

**Mr. Steven Masson:** Our contribution agreements are structured in a way where we will monitor very closely the degree to which the suppliers contribute to that overall project. We will work with

APMA over time to track the future success stories coming out of that investment and continue to engage more broadly with the supplier community, whether it's on Project Arrow or other future investments, to make sure that we are working alongside them as an investor or as a champion for their capabilities to pursue other contracts and keep that growth anchored here in the region.

**Mr. Randy Hoback:** I think you all know where I'm going with this. Canadian taxpayers are spending the money. They want to see a dividend, a return on that investment, and they want to make sure that that return isn't maximized somewhere else after we go through the effort of doing all the hard lifting to get to that point.

Maybe I will leave it there, Mr. Chair, and I will let you move on to the next witness.

**Mr. Jeremy Patzer:** This question is for the Canada Energy Regulator.

Do you have an update on the numbers for Canada's baseload energy?

**Mr. Jean-Denis Charlebois:** Indeed. The end-use energy demand is calculated using petajoules. For the most recent actual data point that we have in 2020, the number of petajoules is 11,257, which is actually a bit of a low mark given the 2020 pandemic. Then if we go to 2030, that end-use energy demand is 11,659 petajoules, which is a slight increase, presumably because of the increase from the low point of the pandemic in 2020.

**Mr. Jeremy Patzer:** With the government's announcement that it is planning to get rid of natural gas by 2035, have you done any studies or analysis on what that's going to mean for Canada's baseload energy that is required going forward?

**Mr. Jean-Denis Charlebois:** I think the policy you may be referring to might be the phasing out of the net-zero electricity generation system by 2035—would that be correct?—which still may include natural gas as long as it is coupled with carbon capture and storage.

**Mr. Jeremy Patzer:** We're out of time, I guess. Sorry.

**The Chair:** I'm sorry to have to cut it off.

We're going to go now to Ms. Lapointe for five minutes.

**Ms. Viviane Lapointe:** Thank you, Mr. Chair.

My question is for the Atlantic Canada Opportunities Agency since I didn't get a chance to ask questions on my first round.

Can you tell us how your agency is creating opportunities for businesses to innovate and to increase their competitiveness as the investors around the world turn their attention increasingly to Canada?

**Mr. Chuck Maillet:** At the ACOA, we work very closely with ecosystem partners, ecosystem players, in terms of helping to lay the groundwork, helping start-up companies and helping build innovation. That's where we use our non-profit or our non-repayable tools. Then, when the company gets to the point where it has a minimum viable product, some market traction, we will follow up with our investments in terms of repayable loans to help them grow.

We use that with a key approach to also try to leverage other funders so that we can manage the risk in terms of borrowing. We do that across all sectors. I know we're talking specifically about natural resources today, but for us, that's about an average of 1,300 projects a year. About 1,000 are business focused. About 300 are focused on the ecosystem areas.

We have metrics that we measure in terms of what the impact is on those, in terms of the sales growth of co-assisted firms compared to non-co-assisted firms and also the survival rate. We're seeing very significant numbers: a survival rate of about 73% for start-ups versus 33% for ones that aren't assisted by the ACOA.

**Ms. Viviane Lapointe:** I have another question.

We know that the world wants Canada's critical minerals, but that, in and of itself will not secure Canada's success. We know that we need to focus on the supply-chain level.

Could you tell us what you have been doing to support businesses in the supply-chain levels versus just being involved in the extraction of natural resources, and how are we bringing innovation to the sector?

• (1250)

**Mr. Chuck Maillet:** Thank you.

Given that the bulk of that industry is in Newfoundland, I'm going to ask my colleague, David Boland, to maybe jump in on critical minerals in Newfoundland and Labrador.

**Mr. Dave Boland (Director General, Regional Operations (Newfoundland and Labrador), Atlantic Canada Opportunities Agency):** Thank you, Chuck.

Thank you for the question.

In terms of critical minerals, that is certainly an area of focus for our mining sector in Newfoundland and Labrador, with a particular focus in Labrador. We've seen companies such as Vale and some of the agreements they have in place with Tesla and other international players that are making news.

From an ACOA perspective, we deal with the supply chain, so we work with companies like Search Minerals, who are looking to set up a rare earth minerals operation. We work with them to see how we can ensure that they do so in a very sustainable way, mitigating and limiting their emissions as they try to bring their product to market.

**Ms. Viviane Lapointe:** Thank you.

I'd like to provide my colleague, George Chahal, with an opportunity to ask questions.

**Mr. George Chahal (Calgary Skyview, Lib.):** Thank you.

I'm going to direct my question towards PrairiesCan, and maybe Ms. Pawluk. On the importance of diversification on the Prairies, I've seen a number of announcements in Saskatchewan, Regina, but also in Calgary. Recently there was one with the Energy Transition Centre in Calgary, but also with the advanced diagnostics centre at the University of Calgary. How important is that and working with local post-secondary institutions, the City of Calgary, to diversify our economy?

**Ms. Joanne Pawluk:** We think it's really critical to work with local economic development and other municipal...and other leaders in terms of what their needs are in their communities.

We've had tremendous success by doing that. It's not only setting our priorities. There was a question earlier about where our priorities are set. Some of that is from broader Government of Canada priorities, but we really listen to our communities and people on the ground to help us set our priorities, because they know what's important and where the best potential is for economic diversification.

**Mr. George Chahal:** Ms. Pawluk, I've also seen a number of community investments. My colleagues across the table talked about returns, but social returns, the impact on communities with pathways or playgrounds. I know in Calgary, on Stephen Avenue...working with the indigenous communities on the importance of their culture and heritage.

Can you talk a little bit about community-building?

**Ms. Joanne Pawluk:** One of the things that is really important to us is inclusive economic development, looking at under-represented groups in the workforce or in business and also at those who face barriers to participation. We look at what we can do, like you mentioned, for indigenous communities, and also for women, people with disabilities, youth, new immigrants and others. That is really important for that full participation in the economy.

**The Chair:** We're going to have to stop there and move to our next person, who is Monsieur Simard, for two and a half minutes.

[Translation]

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

Before I ask my question, I would like to say that I am happy to learn from my colleague Mr. Hoback that Richard Martel is now an aluminum enthusiast. In our region, he is the only elected official who has refused to take part in the aluminum issue table for three years. I therefore reiterate the invitation to him: if he wants to talk about aluminum, he could join us and all the elected officials of Saguenay-Lac-Saint-Jean.

Mr. Charlebois, in the report entitled “Canada's Energy Future 2020—Energy Supply and Demand Projections to 2050,” the Canada Energy Regulator indicates that we must anticipate an intensification of measures to fight climate change, which implies a reduction in demand for fossil fuels.

I would like to know if the regulator has ever done any estimates or studies to see if, over time, the “optimal” use of the Trans Mountain pipeline can be measured. Do we have any idea? Will this infrastructure be good for fifteen or twenty years? Has the Canada Energy Regulator ever done this type of study?

**Mr. Jean-Denis Charlebois:** In fact, this question was the subject of the economic feasibility study we conducted in 2016, which measured the use of the pipeline over its lifetime and the tolls that would be paid by shippers.

According to this study, the pipeline would be sustained for 15 to 20 years at 80% of its capacity through long-term contracts. This suggests that these contracts will be used—

• (1255)

**Mr. Mario Simard:** Forgive me for interrupting.

You just said you did an economic feasibility study in 2013. Did you do anything similar afterwards, when the government wanted to buy the pipeline?

**Mr. Jean-Denis Charlebois:** The study was done in 2016 during the evaluation of the expansion project. It has not been redone by the Canada Energy Regulator since the Canadian government purchased the pipeline.

To complete my answer, the remaining 20% of capacity that is not subject to contracts is going to be offered without long-term commitments.

**Mr. Mario Simard:** Can you provide this 2016 study to the committee?

**Mr. Jean-Denis Charlebois:** Yes. We will pass the decision on to you.

**Mr. Mario Simard:** I am not talking about the decision.

Can you send the committee the 2016 study?

**Mr. Jean-Denis Charlebois:** The economic feasibility study is part of the decision. So, we're going to send you the decision.

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

[English]

**The Chair:** Thank you very much.

Now we'll go to Mr. Angus for the final two and a half minutes of questions.

**Mr. Charlie Angus:** Thank you, Mr. Chair.

Mr. Charlebois, when my colleague asked about the life expectancy of the pipeline and its usability, you mentioned a 20-year to 30-year frame. Is that correct?

**Mr. Jean-Denis Charlebois:** In fact, long-term contracts are between 15 and 20 years.

**Mr. Charlie Angus:** Between 15 and 20 years.... The TD and BMO banks have done a cash flow analysis that says the pipeline

would become commercially viable over a 100-year time frame. That sort of struck me as kind of ridiculous. I didn't know pipelines ran a hundred years. There might not be a planet in a hundred years. Are you saying that this will be financially viable in 15 to 20 years or 20 to 30 years, or are we looking at that it will take a hundred years for taxpayers to get their money back?

**Mr. Jean-Denis Charlebois:** What I'm saying is that it's reasonable to expect that, over the 15 to 20 years of the long-term contracts, the facilities will be used up to the percentage of committed capacity. Now the uncommitted capacity, the remaining 20%, will depend on market dynamics—basically, the price differential between oil in Alberta and global oil markets.

**Mr. Charlie Angus:** Okay.

Just finally.... I was in Germany for the last week, meeting with officials, and their move on clean energy is extraordinary, so much so that the International Energy Agency says that the world will hit peak oil in 2025 not 2030. However, whenever I look at the Canada Energy Regulator's scenarios, again, I see a million barrels a day, an increase in 2050; we're still, basically, where we're at now.

Given what's happening around the world, are you not leaving Canadians at risk of having a whole bunch of stranded assets if we continue with these scenarios of growth and increased production when the rest of the world is moving in the opposite direction?

**Mr. Jean-Denis Charlebois:** The risk of stranded assets is on companies that invest in oil and gas facilities. It's not on the Canada Energy Regulator.

**Mr. Charlie Angus:** I know, but if you're predicting increases in production and a flatline by 2050 when the International Energy Agency is saying that there has to be a massive decrease—and it's saying that we'll hit peak oil in 2025—is the International Energy Agency wrong, or is the CER wrong?

**Mr. Jean-Denis Charlebois:** The International Energy Agency projections are on a global basis. The manner in which Canada will fray into that global market might be slightly different, and this is what we see with our projections that take in 2032.

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

**The Chair:** Great. That takes us to the end of the time we have available for questions today.

I would like to thank all of the officials who have joined us today from the various regional economic development agencies, as well as the Canada Energy Regulator. We appreciate your time.

If you want to log off, please do. I'm going to ask the members to stay for a minute.

There's been discussion on this. I have four quick administrative items we need to deal with that I'm hoping to do. I know people need to be gone as close to one o'clock as possible, so I'm going to be bold and put forward a package motion. I'll ask somebody to put it forward and then we can vote on it.

We've had discussion and there's agreement to bundle them. Is that right?

**Some hon. members:** Agreed.

**The Chair:** The first part of the motion we need to adopt is the study budget of \$10,475, which was circulated last week. That's the first part.

The second is to adopt the subcommittee report from November 1 related to this study. That, in brief, reads:

That, for the study of federal assistance for various natural resources industries, witnesses be invited to appear as per the amended work plan distributed to the committee, and that members be kept informed of any required substitutions to the proposed panels based on the availability of the witnesses.

The third piece is that we grant Mr. James Maloney access to the digital binder, since he will be replacing Ms. Jones while she's away for her medical treatments.

The fourth piece of it is that the deadline for receiving written briefs for this study be set for next Friday, November 25. I will say that it's subject to us having the two meetings next week. If there are any disruptions to those meetings, we will carry the written submissions through to December 2.

Go ahead, Mario.

• (1300)

[*Translation*]

**Mr. Mario Simard:** I would like to speak to the last motion. I've talked to Ms. Dabrusin a little bit about it, and personally I wouldn't

schedule it for November 25, but rather for the last Friday after our last meeting with the witnesses. If the House sits until late in the evening, committee meetings may be cancelled, which would be problematic. I would simply remove Friday, November 25.

[*English*]

**The Chair:** Okay. We'll revise that so we'll take written submissions until the end of the day Friday, following the last meeting on this study.

Is there clarity on that?

(Motion agreed to)

**The Chair:** We are good.

With that folks, we don't need to take up the extra hour that I'd booked in case it took us a while.

Thank you for your time today. The meeting is adjourned.

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