

## Government Response to the Tenth Report of the Standing Committee on Natural Resources Entitled “Creating a Fair and Equitable Canadian Energy Transformation”

With the global shift to net-zero emissions, significant economic opportunities will emerge and changes will take place across the country. To prepare for these changes and take advantage of opportunities, the Government has initiated significant work to encourage growth in a low-carbon economy and the creation of sustainable jobs.

Following the release of Canada’s first national climate plan in 2016, the Government established the Task Force on Just Transition for Canadian Coal Power Workers and Communities (JTTF) as an independent body to provide advice to the Government on how it could support Canadian coal workers and communities affected by the phase-out of unabated coal-fired power generation. The JTTF’s 2019 report helped to inform the Government’s approach, which includes support for economic diversification and skills development for coal workers, along with significant community-based economic diversification investments and skills programming.

In 2021 and 2022, the Government undertook extensive engagement on the development of sustainable jobs legislation, including on principles that would guide the Government’s work in this area, and the establishment of an advisory body to provide advice on the Government’s approach. A total of 17 engagement sessions were held with stakeholders and partners, including Indigenous organizations, and feedback from more than 30,000 emails was also summarized and analyzed to find recurring themes, unique and common perspectives, and reactions, as well as recommendations, from interested Canadians. Over 75 detailed submissions were received from Canadian organizations outlining their vision for the design of legislation and comprehensive action on the creation of sustainable jobs. The Government’s approach was informed and shaped by what we heard from Canadians during those consultations.

The Government’s interim Sustainable Jobs Plan (the Plan) outlines the broad array of current and planned actions to ensure Canada’s workers and communities succeed in the economy of the future. In June 2023, the Government tabled Bill C-50, the Canadian Sustainable Jobs Act, which aims to create a framework to allow the federal government to facilitate and promote the creation of sustainable jobs and support workers and communities in Canada in line with the global shift to net-zero emissions. This framework will facilitate transparency, accountability, engagement and action by relevant federal entities, including those focused on skills development, economic development, and emissions reduction, nationally and at the regional level.

The proposed legislation includes five key elements of Canada’s sustainable jobs approach:

- First, it introduces a core set of guiding principles that aim to strengthen work by the federal government towards a fair and equitable low-carbon economy.
- Second, to promote transparency and ensure accountability, the bill proposes the Government of Canada publish Sustainable Jobs Action Plans every five years, starting in

2025. The iterative nature of the Action Plans will ensure that Canada's sustainable jobs approach remains responsive and relevant to the evolving low-carbon economy.

- Third, the legislation proposes the establishment of a tripartite-plus organization called the Sustainable Jobs Partnership Council, tasked with engaging with implicated Canadians and providing advice to Government on the most effective measures to support the creation of sustainable jobs and the low-carbon economy. Advice from the Partnership Council will help the Government to take action that is informed by local realities and reflects the needs and experiences of partners and stakeholders, from other levels of government, Indigenous organizations, labour unions, workers, industry, and civil society.
- Fourth, the bill affirms the Government's plan to establish a Sustainable Jobs Secretariat that will work across federal departments and agencies to develop Sustainable Jobs Action Plans to ensure coordinated action under relevant Ministerial and Departmental mandates and ongoing engagement with key partners.
- Finally, the bill proposes that a Responsible Minister be designated through a Governor in Council decision to have overall responsibility for the Act and fulfilment of its provisions and designate Specified Ministers, who would be closely consulted on key elements, notably the Sustainable Job Action Plans.

Through the interim Sustainable Jobs Plan and proposed legislation, the Government has articulated its approach to the creation of a fair and equitable Canadian energy future, addressing many of the recommendations put forward by the Committee. The Government has carefully considered the Committee's report and wishes to provide the Committee with an update on current and planned activities pertaining to the recommendations. Aspects of recommendations 2, 4, and 5 are dealt with together, along with recommendations 18 and 19, with the remainder of the recommendations addressed individually.

The Government supports the efforts of the Committee and is pleased to provide an update on the progress and continued collaborative efforts of Natural Resources Canada (NRCan), Employment and Social Development Canada (ESDC), Environment and Climate Change Canada (ECCC), Finance Canada, Innovation, Science and Economic Development (ISED), and Canada's Regional Development Agencies to advance the growth of Canada's net-zero emissions economy and encourage the creation of sustainable jobs.

**Set emission reduction targets and develop plans to reach net-zero emissions**  
**(Recommendation 1):**

The Government of Canada agrees with this recommendation.

The *Canadian Net-Zero Emissions Accountability Act (the Act)* provides a legislative framework that requires the setting of clear emissions reduction targets at five-year intervals with a view to reaching net zero by 2050 and the establishment of credible, science-based emissions-reduction plans to meet them, the first of these being the 2030 Emissions Reduction Plan (ERP).

*The Act* also established a legally binding process to set five-year national emissions-reduction targets for the milestone years of 2035, 2040, and 2045. The legislation requires a robust process to develop each of these targets, including taking into account the best available science, Indigenous Knowledge, Canada’s international climate commitments, advice from the Net-Zero Advisory Body and submissions from provinces and territories, Indigenous peoples, and interested persons. These targets will provide a clear path to help Canada chart its course to net-zero emissions by 2050. This approach aligns with the ‘ambition cycle’ of the Paris Agreement, which requires all Parties to communicate new and more ambitious emissions reductions targets every five years to encourage progressively deeper cuts in global emissions over time.

The 2030 ERP, published in March 2022, is the first of the legislated emissions reduction plans. It provides a roadmap for how Canada can achieve its greenhouse gas emissions target of 40-45% below 2005 levels by 2030. The 2030 ERP included new measures and strategies across all sectors of the economy, reflecting the best available science. It has put in place more of the essential building blocks to grow a strong, resilient economy, create jobs, and meet Canada’s climate objectives, while leaving flexibility to adapt to future needs. Some of these actions, outlined in the 2030 ERP and other recent announcements, include:

- Helping to reduce energy costs for homes and buildings, while driving down emissions to net-zero by 2040 and boosting climate resiliency through the development of the \$150 million Canada Green Buildings Strategy and an additional investment of \$458.5 million for the low-income stream of the Canada Greener Homes Loans program;
- Empowering communities to take climate action by expanding the Low Carbon Economy Fund through a \$2.2 billion recapitalization, which will include a new \$180-million Indigenous Leadership Fund to support emissions reductions projects led by First Nations, Inuit, and Métis communities and organizations;
- Spurring innovation and adoption of cleaner technologies and fuels for emissions intensive industrial emitters while limiting the impacts of carbon pricing on their ability to compete in the Canadian market and abroad under the Output-Based Pricing System, where provinces and territories either request it or choose not to adequately price carbon pollution;
- Driving progress on clean cars and trucks through investments of \$400 million for zero-emission vehicles charging and refueling infrastructure, \$1.7 billion to extend the Incentives for Zero-Emission Vehicles (iZEV) program to make it more affordable for Canadians to buy and drive new electric light-duty vehicles, and introducing a purchase incentive program of \$547.5 million for medium-and heavy-duty vehicles;
- Positioning the oil and gas sector to cut pollution while continuing to create jobs and grow the economy by working with stakeholders to implement the cap on oil and gas sector emissions;
- Powering the economy with renewable electricity by continuing to advance the Clean Electricity Regulations to enable Canada to achieve a net-zero electricity grid by 2035, providing nearly \$3 billion to the Smart Renewables and Electrification Pathways Program and Smart Grid Program, on top of previous investments, for additional renewable

electricity and grid modernization projects and \$250 million to support predevelopment work of large clean electricity projects;

- Helping industries to adopt clean technology in their journey to net-zero emissions by developing a federal Carbon Management Strategy, and introducing investment tax credits to de-risk investments in clean hydrogen, clean electricity, carbon capture, utilization, and storage, and clean technologies;
- Driving further clean technology innovation through a \$1 billion investment to create an independent Canadian Innovation Corporation;
- Launching a \$15 billion Canada Growth Fund to attract the private capital required to accelerate deployment of technologies required to decarbonize and grow the economy;
- Developing a whole-of-government strategy to strengthen policy coherence and coordination on clean technology and climate innovation;
- Investing in nature and natural climate solutions by investing an additional \$780 million to the Nature Smart Climate Solutions Fund to support projects that conserve, restore and enhance wetlands, peatlands, and grasslands to store and capture carbon;
- Supporting farmers as partners in building a clean, prosperous future through investments in new programs, such as the \$150 million resilient agricultural landscapes program, and by topping up the Agricultural Climate Solutions: On-Farm Climate Action Fund with \$470 million to support key climate mitigation practices and providing \$300 million to triple funding for the Agricultural Clean Technology program.

Subsequent emissions reductions plans will be developed for each emissions reduction target, and will provide a continued path forward for Canada to achieve net zero emissions by 2050, at each milestone year reflecting the evolution of technology, sectors, markets and actions of Canadians. Furthermore, for each emissions target, *the Act* requires a progress report to assess the ongoing implementation of the respective emissions reduction plan. The first progress report required under *the Act*, which will assess implementation of the 2030 ERP, must be prepared by the end of 2023 and tabled in each House of Parliament on any of the first 15 days on which that House of Parliament is sitting after the day on which the report is finalized.

**Analyze the labour market impacts, risks, and opportunities of the net-zero transition, and work to alleviate negative impacts while promoting local production (Recommendations 2, 4, and 5):**

The Government of Canada agrees with Recommendations 2, 4, and 5, which together advise that the Government undertake a comprehensive approach to assess and understand the impacts to workers, industries, and communities of a net-zero economy, including both opportunities and risks. In particular, the report recommended that the Government: collaborate with partners and stakeholders to conduct industry-by-industry analyses of the labour market impacts of a net-zero transition (Recommendation 2); take a broad approach to assessing the risks and opportunities associated with a net-zero transition (Recommendation 4); and work to mitigate negative effects of the net-zero transition on regions and communities, while also promoting local production and supporting workers (Recommendation 5). The Government provides an initial progress report below.

The Government agrees it is important that Canada have a plan to accelerate the building of a low-carbon economy, anticipate the opportunities and risks of this shift across the labour market, and ensure our workforce is positioned to thrive in the net-zero emissions future. It will equally be important to put in place measures to track this progress over time. The interim Sustainable Jobs Plan lays out our proposed framework and legislative approach to supporting sustainable job creation across the country, building on a range of federal plans to support the low-carbon economy including Canada's Hydrogen Strategy, Critical Minerals Strategy, and the upcoming Green Buildings Strategy, among others. This Plan, alongside the Government's recently tabled sustainable jobs legislation, signals a commitment to establish a governance, accountability, and engagement framework to ensure continued action over time to support workers and communities in move towards a low-carbon economy. The creation of a tripartite-plus Sustainable Jobs Partnership Council will ensure the Government receives regular and ongoing advice on its approach, informed by ongoing engagement with workers and communities.

As articulated in the interim Sustainable Jobs Plan, the Government is taking a worker- and people-centered approach to the shift to a low-carbon economy that is focused on job creation, workforce development, and economic growth, including through sectoral transformation. Canada's abundant natural resources and its ability to develop them – sustainably and inclusively – are significant comparative advantages in the global shift to a low-carbon economy. This means we have an unprecedented opportunity to create good, well-paying jobs, thriving communities and sustainable economic prosperity from coast to coast to coast – all while achieving our ambitious climate and nature goals.

The Regional Energy and Resource Tables (Regional Tables) are a key part of the Government's efforts to seize this historic moment and ensure Canadians reap the economic benefits of climate action. Through the Regional Tables, the Government is working with individual provinces and territories – in collaboration with Indigenous partners, and with the input of stakeholders, including those that represent workers – to advance the top economic priorities in the energy and resource sectors in each of Canada's regions. The Regional Tables aim to align resources, timelines, and regulatory approaches to capitalize on these regional opportunities, which can inform Canada's approach to supporting workers and creating sustainable jobs. Regional Development Agencies (RDAs) also work to encourage inclusive and sustainable economic growth by providing support that helps businesses and communities shift to a greener and more inclusive economy.

In many cases, the sustainable jobs of the future will involve utilizing skills that Canadian workers already possess, and in certain cases training will be important as workers look to fill demand in new and growing roles and sectors. As emphasized in the interim Sustainable Jobs Plan, investing in Canada's workforce through training, upskilling and reskilling is critical to unlock the employment potential in the low-carbon economy. Many workers have significant experience and transferable skills, only requiring some job-specific upskilling, while others will require more supports to seize new opportunities. The Government has made historic investments in skills

programming, including for sustainable jobs, through a variety of programs such as the Sectoral Workforce Solutions Program, the Community Workforce Development Program, and a new Union Training and Innovation Program sustainable jobs funding stream under the Canadian Apprenticeship Strategy.

The Government recognizes that there is a need to improve data collection and dissemination regarding how communities, industries, and workers are adapting to the net-zero emissions economy, including both measuring challenges as well as new employment opportunities. The Government's interim Sustainable Jobs Plan commits to improve labour market data collection, tracking, and analysis. This is a complex undertaking that requires collaborative work with a variety of partners and will require continued efforts over time. Using currently available labour market information and data, NRCan and other government departments, like Statistics Canada and Employment and Social Development Canada, as well as various stakeholders, will undertake analyses to track the move towards a low-carbon economy, expected opportunities and risks, and to assess the labour and skills requirements to support sustainable jobs. The Government will also share relevant results and evaluation information related to ongoing skills programming (such as the Sectoral Workforce Solutions Program's low-carbon economy priority, the Upskilling for Industry Initiative, and the Community Workforce Development Program and Skills for Success). The Government has committed to supporting continued investment in internal and external research and data developments to improve understanding of current and future labour market conditions.

Ongoing work on the sustainable jobs file will be coordinated by a Sustainable Jobs Secretariat, and regular Sustainable Jobs Action Plans will be developed to articulate the Government's approach as it evolves over time. Through these activities, the Government will continue to assess the labour market risks and opportunities of Canada's low-carbon energy future, and take action to maximize opportunities and address risks.

**Set clear goals and principles, in partnership with workers, communities, and stakeholders (Recommendation 3):**

The Government of Canada agrees with this recommendation.

The principles included in the preamble of the sustainable jobs legislation have been informed by more than two years of consultations and conversations with provinces and territories, Indigenous peoples, workers and unions, industry, environmental and civil society organizations and interested Canadians. The preamble of the legislation highlights that federal Government action on sustainable jobs is taking place within the context of its commitment to: the Paris Agreement and to achieving net-zero emissions by 2050; supporting the future and quality of life of workers and their communities; and enacting the *United Nations Declaration on the Rights of Indigenous Peoples Act (UNDA)*.

After two years of consultation and cooperation with First Nations, Inuit, and Métis people across Canada, the 2023-2028 Action Plan (UNDA Action Plan) was released in June 2023, and includes Action Plan Measure (33) led by Natural Resources Canada to develop and implement

actions to increase economic participation of Indigenous peoples and their communities in natural resources development, including through the National Benefits-Sharing Framework.

The principles provide overall guidance for the federal Government's approach to sustainable jobs, outlining a focus on: adequate, informed and ongoing dialogue; policies and programs that support the creation of decent work, local and regional needs, account for cultural values, and encourage broad contribution from stakeholders; inclusiveness and the importance of creating opportunities for underrepresented groups, including Indigenous peoples; and international cooperation to ensure a level playing field and inform Canadian approaches to support workers and communities.

The Government has set a clear goal to reach net-zero emissions, as indicated by the legislative framework contained in the *Canadian Net-Zero Emissions Accountability Act* and its related target, by 2050, along with the requirement for interim targets and an accompanying accountability and transparency framework. This goal will both help to drive, and support, the Government's approach to sustainable jobs.

**Implement Recommendations of the Just Transition Taskforce for Canadian Coal Power Workers and Communities (Recommendation 6):**

The Government of Canada agrees in principle with this recommendation, which was also addressed in our response to the recommendations put forth by the Standing Committee on Public Accounts (PACP), which examined the 2022 audit findings of the Commissioner of the Environment and Sustainable Development that identified six JTTF recommendations that were either not addressed or only partly addressed. In the government response to the PACP report, the Government provided an update on progress to address these JTTF recommendations as outlined below:

*Develop, communicate, implement, monitor, evaluate, and publicly report on a just transition plan for the coal phase-out, championed by a lead minister to oversee and report on progress.*

The governance, accountability, and engagement framework to be established through the federal legislation on sustainable jobs would set out a process for continued action to support workers and communities to thrive in a low-carbon economy, including those affected by the phase-out of unabated coal for electricity generation. The Government has already taken action to support communities and workers including broad-based skills, training and economic diversification measures, as well as targeted measures to support specific workers and communities. This includes committing \$185 million towards skills development and economic diversification efforts in Alberta, Saskatchewan, Nova Scotia and New Brunswick, through the \$35 million Canada Coal Transition Initiative (CCTI) and the \$150 million Canada Coal Transition Initiative – Infrastructure Fund (CCTI-IF), delivered by PrairiesCan and ACOA. ACOA and PrairiesCan report annually on their results for the CCTI and CCTI-IF in their Departmental Sustainable Development Strategy Reports, and NRCan's website showcases regular updates to projects funded under CCTI and CCTI-IF.

*Include provisions for just transition in federal environmental and labour legislation and regulations, as well as relevant intergovernmental agreements.* In June 2023, the Government introduced [Bill C-50](#), the Canadian Sustainable Jobs Act, which aims to create a framework to allow the federal government to facilitate and promote the creation of sustainable jobs and support workers and communities in Canada in line with the global shift to net-zero emissions. This framework could facilitate transparency, accountability, engagement and action by relevant federal entities, including those focused on skills development, economic development, and emissions reduction, nationally and at the regional level. The Government has also indicated its commitment to this issue through international agreements, including by signing a Declaration at the 26<sup>th</sup> Conference of the Parties of the United Nations Climate Change Conference indicating a commitment to a net-zero emissions economy that includes support for workers, stakeholder engagement, economic strategies, workplace standards, supply chains and climate targets.

*Establish a targeted, long-term research fund for studying the impact of the coal phase-out and the transition to a low-carbon economy.* The Government agrees that research to study the effects of the shift to a low-carbon economy is of critical importance. While the Government has not established a research fund focused specifically on the coal phase-out, it is continuing to study the impact of the future net-zero emissions economy in Canada through a number of initiatives.

*Create a detailed and publicly available inventory with labour market information pertaining to coal workers, such as skills profiles, demographics, locations, and current and potential employers.* The Government of Canada agrees that the availability of labour market information is important to connect workers and employers, and has considered this recommendation. Coal workers are able to access labour market information through existing mechanisms such as the Government's Job Bank website, which provides all Canadians with labour market information, employment trends and opportunities all over Canada. It helps Canadians find work and plan their careers and makes it easier for employers to recruit and hire across the country. Additional measures in place at the provincial and territorial level also help to address this JTTF recommendation.

*Create a comprehensive funding program for workers staying in the labour market to address their needs across the stages of securing a new job, including income support, education and skills building, re-employment, and mobility.* The Government has a suite of programming that could support workers through skills development and training. This includes the Sectoral Workforce Solutions Program; Union Training and Innovation Program; Community Workforce Development Program; Skills and Partnership Fund; and Labour Market Transfer Agreements. In addition, Canada has a strong income-support system, including employment insurance (EI). In summer 2022, Canada concluded its two-year consultations with stakeholders and Canadians, and work continues on how to build an EI program that is responsive to all labour market conditions, whether in high or low unemployment situations, and is accessible, adequate and financially sustainable.



*Create a pension bridging program for workers who will retire earlier than planned due to the coal phase-out.* The Canada Pension Plan is a comprehensive pension system for all Canadian workers, no matter what type of work they choose. Allowing specific groups earlier access to CPP benefits than others would create inequities and work against the measures that have been taken to make the Plan stable and sustainable. Currently, there is already a general drop out provision to account for periods of low or no employment earnings that is available to workers who need it. In addition, there are significant PT considerations. For example, this proposed change could result in the need to increase the contribution rate, requiring the approval of not only the Government of Canada but also two-thirds of the provinces representing at least two-thirds of the population. Furthermore, recent studies and modelling suggest that one of the most significant challenges of the low-carbon economy will not be a shortage of jobs, but instead an abundance of jobs with a shortage of the skilled workers required to fill them. Assisting workers to move to new sustainable jobs will be key to filling future needs in the low-carbon economy.

The Government of Canada appreciates the important work of the JTTF and its recommendations informed the Government's approach. Recognizing the importance of expert advice and ongoing dialogue with Canadians to inform the shift to a low-carbon economy, the Government intends to establish engagement mechanisms to seek ongoing expert advice on its approach. In addition, NRCan, working with PrairiesCan and ACOA, is undertaking work to monitor the impact of the phase-out of coal generated electricity and the resilience of coal-dependent communities experiencing this shift. The evaluation of the Canadian Coal Transition Initiative and the associated infrastructure program scheduled to be carried out in 2023-24 will also provide lessons learned, contextual information and outcomes for consideration, alongside the advice of the JTTF, as the Government develops future Sustainable Jobs Action Plans. Note that in Atlantic Canada, where the shift off of coal-generated electricity is still at least seven years in the future, ACOA has focused on economic diversification projects to ensure that workers in the region have alternate job opportunities in other sectors.

**Commit adequate financial resources and establish robust policy and legislative frameworks (Recommendation 7):**

The Government of Canada agrees in principle with this recommendation.

The Government's recognizes that to build a strong, net-zero future and support the creation of jobs across Canada we must invest in industries and technologies, send clear policy signals, and put in place legislation necessary to take long-term and effective action. Since 2016, the Government of Canada has done all three.

The Government is taking decisive action to reduce emissions and address climate change. In addition to introducing climate plans in 2016 and 2020, the *Canadian Net-Zero Emissions Accountability Act* came into force in 2021. As elaborated above, the 2030 Emissions Reduction Plan is the first plan to be produced under *the Act* and provides a sector-by-sector roadmap that outlines how Canada can reach its greenhouse gas emissions reduction target of 40-45 percent

below 2005 levels by 2030 and net-zero emissions by 2050. The 2030 ERP built on the foundation set by Canada's existing climate actions with a suite of new mitigation measures, strategies, and investments, many of which were listed above in response to recommendation 1. The Government has also committed over \$80B in investment tax credits for clean hydrogen, clean electricity, carbon capture, utilization and storage, and clean technologies.

Alongside comprehensive plans that focus on reducing emissions, through the interim Sustainable Jobs Plan the Government announced its approach to advancing economic prosperity and supporting the creation of sustainable jobs in every region of the country and ensuring that Canadian workers have the supports, skills, and training to succeed. To further these aims, on June 15, 2023, the Government of Canada introduced sustainable jobs legislation in the House of Commons.

In addition to establishing necessary policy and legal frameworks, the Government of Canada has made foundational investments in measures to reduce emissions, drive clean growth, promote investment and innovation, protect the environment, and support workers and communities, all of which spurs the creation of sustainable jobs. This includes:

- \$120 billion in federal investments committed since 2016 to combat climate change and build a clean economy.
- \$1.5 billion in historic investments for skills programming, including sustainable jobs; and,
- \$185 million to support economic diversification and skills development efforts to support coal workers and communities impacted by the phase-out of coal-fired power generation by 2030 in Alberta, Saskatchewan, Nova Scotia and New Brunswick.
- \$301.4.1 million over two years to support youth employment and skills training, including green jobs through the Youth Employment and Skills Strategy (YESS)

More details on specific programs and initiatives funded can be found in the **interim Sustainable Jobs Plan**, along with details of measures to drive private sector investment in the low-carbon economy and sustainable jobs.

### **End fossil fuel subsidies and establish a sustainable investment plan to develop a net-zero economy (Recommendation 8):**

The Government of Canada agrees with this recommendation.

Eliminating inefficient fossil fuel subsidies enables the Government of Canada to provide greater support to clean technology and work across the economy to reduce emissions from traditional sectors.

On July 24, 2023, Canada announced the publication of the **Inefficient Fossil Fuel Subsidies Self-Review Assessment Framework and Guidelines**. The Guidelines document released alongside the Framework will be used by government departments and agencies to ensure all future programs and spending decisions are aligned with the Framework. Compliance with the

Guidelines will be the responsibility of the Minister accountable for any given decision. This will avoid the creation of any new tax measures or non-tax programs that are inefficient fossil fuel subsidies.

This work follows guidelines published in December 2022 to end new direct public support for international unabated fossil fuel energy – namely, fossil fuel energy that does not utilize carbon reduction technologies. These policies will work in concert to align government programs and spending that support the fossil fuel sector with Canada’s ambitious climate agenda. This includes continued work to fulfill the commitment to develop a plan to phase out public financing of the unabated fossil fuel sector, including from Crown corporations.

An implementation plan to phase out public financing of the unabated fossil fuel sector is to follow and will be announced by Fall 2024.

The Government of Canada agrees that the shift to a net-zero economy by 2050 requires both public and private investment. Over the past seven years, the Government has committed \$120 billion in investments to reduce emissions, protect the environment, spur clean technologies and innovation, and help Canadians and communities adapt to the impacts of climate change. Examples of these investments include:

- The \$8 billion **Net-Zero Accelerator** that supports large-scale investments in key industrial sectors across the country to ensure that Canada remains competitive in a net-zero economy and reduces greenhouse gas emissions.
- The \$35 billion **Canada Infrastructure Bank**, which has already invested \$10 billion in projects across its five priority investment areas: clean power, public transit, green infrastructure, broadband, and trade and transportation infrastructure.
- The \$1.5 billion **Clean Fuels Fund** to grow the production of clean fuels in Canada, such as hydrogen, renewable diesel and natural gas, cellulosic ethanol, synthetic fuels and sustainable aviation fuel.
- The nearly \$3 billion **Smart Renewables and Electrification Pathways Program** that funds renewable energy, energy storage and grid modernization projects across Canada and is helping to transform our electricity grid to meet our 2030 climate targets.
- The \$3.8 billion **Critical Minerals Strategy** announced in Budget 2022, which will help make Canada a global supplier of choice for the critical minerals that are the bedrock of clean and digital technologies.
- The **Low Carbon Economy Fund**, which supports projects that help to reduce Canada’s greenhouse gas emissions, generate clean growth, build resilient communities, and create good jobs for Canadians.
- Building climate-resilient infrastructure to help communities address climate change disasters by investing nearly \$3.9 billion in the **Disaster Mitigation and Adaptation Fund** since 2018.
- Since the release of Canada’s Strengthened Climate Plan in December 2020, the federal government has **committed more than \$1.9 billion in targeted investments to support Indigenous communities**, including initiatives to facilitate the shift to clean energy, advance nature-based solutions, build new or retrofit green community buildings,

promote resilience and adaptation, and undertake major disaster mitigation projects, among others.

- Over \$2 billion to help **cities and towns adapt to and manage the impacts of climate change**, delivered through the Federation of Canadian Municipalities (e.g., \$75 million for the Municipal Climate Innovation Program, \$50 million for the Municipal Asset Management Program, and over \$1 billion in support for building energy efficiency investments).

**Establish region- and sector-specific planning and reporting requirements to support the growth of sustainable jobs (Recommendation 9):**

The Government of Canada agrees in principle with this recommendation.

The interim Sustainable Jobs Plan and legislation reflect the Government of Canada's commitment to work collaboratively with all provinces and territories, Indigenous partners, and stakeholders. By engaging partners and stakeholders at the regional level, including through the Regional Energy and Resource Tables, the government aims to gain deeper insights into the specific needs and potential of each region across Canada.

As outlined in proposed sustainable jobs legislation, the Government is also committed to releasing Sustainable Jobs Action Plans every five years and to providing progress reports on their implementation every two and a half years. These Action Plans may include both a regional and sector-specific analysis related to sustainable job opportunities and challenges, informed by insights gained through the Regional Energy and Resources Tables process. This reporting mechanism will enable Parliament and the public to track the government's progress, assess the effectiveness of the initiatives, and hold the government accountable for its commitments in supporting sustainable job growth and creation across the country. The Sustainable Jobs Partnership Council will also report on the results of its engagement and provide advice to Government through annual reports, which will be shared publicly and tabled in Parliament.

**Adopt a tripartite-plus approach through ongoing social dialogue to establish standards, policies and programs related to labour (Recommendation 10):**

The Government of Canada agrees with this recommendation.

A key pillar of supporting an inclusive and equitable future includes ensuring the views and needs of workers and their communities are considered in decision-making that affects their future. Social dialogue – bringing together government, workers, and industry through sustained dialogue, along with other key partners and stakeholders – is an important part of the move to a low-carbon economy, ensuring a collaborative and shared approach to shaping the net-zero future.

To support this process, Bill C-50 would create a Sustainable Jobs Partnership Council to provide ongoing advice to the Government. Considering feedback received during consultations on

legislation over 2021 and 2022, the Council will reflect a ‘tripartite-plus’ approach based on social dialogue, with membership including Indigenous organizations, labour unions, and employers, along with other relevant stakeholders and experts. In formulating its advice, the Partnership Council would undertake engagement with stakeholders and partners across all regions of Canada, including rural and remote communities, and would have opportunities to provide meaningful input and engage in dialogue with senior government officials to inform standards, policies and program development related to labour market readiness in Canada’s low-carbon economy. The Council would be established if Bill C-50 receives Royal Assent. Youth from across Canada are also discussing sustainable jobs directly with the Minister of Energy and Natural Resources as part of NRCan's Youth Council.

**Develop measures to enable greater Indigenous participation in – and ownership of – clean energy and natural resources projects (Recommendation 11):**

The Government of Canada agrees with this recommendation.

The Government recognizes the importance of Indigenous leadership and economic participation in clean energy and the need for Indigenous groups to receive benefits from natural resources projects in their territories. The shift to net-zero presents an opportunity for the Government to partner with Indigenous groups to support their participation in, and ownership of, clean energy and natural resources projects to advance economic reconciliation while ensuring that projects critical to the shift to net-zero also advance.

To support this work, Budget 2023 committed \$8.7 million to Natural Resources Canada to develop a National Benefits-Sharing Framework, which is one of the UNDA Action Plan Measures (33) led by the Department. This Framework will ensure that First Nations and Métis Nation groups directly benefit from major resource projects in their territories, and that Inuit communities benefit from major resource projects in Inuit Nunangat. Early engagement on the Framework identified the challenges that Indigenous groups face in accessing affordable capital and capacity and discussed options to support Indigenous groups in their desire to own major projects. Through further engagement on the National Benefits-Sharing Framework, the Government will continue to explore other federal supports to increase access to capital for Indigenous groups to invest in major resource projects.

Responsible and natural resource development contributes to the socio-economic well-being of Indigenous groups by ensuring that communities are safe and secure. For this reason, Natural Resources Canada is also leading UNDA Action Plan Measure 12 to advance safe and secure resource development for Indigenous women, girls, and 2SLGBTQQIA+ people. This work also includes ensuring that Aboriginal and treaty rights are respected through early, meaningful, and ongoing engagement and through robust and inclusive regulatory processes.

Budget 2023 announced that the Canada Infrastructure Bank will provide loans to Indigenous communities to support them in purchasing equity stakes in infrastructure projects in which the Bank is also investing. The Government is further collaborating with the Canada Infrastructure

Bank, Indigenous partners, and private investors to finance infrastructure that unlocks mineral deposits required for the green and digital economy.

Through Natural Resources Canada's Indigenous Natural Resources Partnership program and the Indigenous Partnership Office, the Government is supporting Indigenous groups to build capacity and enhance their participation as equal partners in natural resource projects. Budget 2022 allocated \$100 million to advance economic reconciliation through enhanced readiness to meaningfully participate in the natural resource sector, including at least \$25 million to support Indigenous participation and early engagement in the Critical Minerals Strategy. Enabling greater Indigenous participation in, and ownership of, clean electricity projects is an objective of the Smart Renewables and Electrification Pathways program. The program has thus far supported 41 projects with Indigenous ownership, contributing a total of \$853 million.

Finally, the \$17.6 million Indigenous Forestry Initiative (IFI) has been instrumental in supporting Indigenous-led economic development in the forestry sector. The program plays an important role in the early stages of business development and has provided support over multiple years to more than 42 projects from start-up phases all the way to capital investment. Through Budget 2023, the IFI is prioritizing Indigenous-led grants and contribution projects that support participation and leadership in forest stewardship, strategic economic opportunities planning, and community-based economic development. The program continues to evolve to better align with the *United Nations Declaration on the Rights of Indigenous Peoples Act* and the recommendations set out in the Truth and Reconciliation Commission of Canada's 94 Calls to Action through targeted engagement.

**Establishing clear rules for net-zero funding that recognizes job standards, indigenous involvement, and community benefits (Recommendation 12):**

The Government of Canada agrees with this recommendation and is taking steps to address it.

In keeping with the *United Nations Declaration on the Rights of Indigenous Peoples Act* (UNDA), the Government has worked with First Nations, Inuit, and Métis people to develop an action plan, which includes measures needed to ensure federal laws are consistent with the UN Declaration. After two years of consultation and cooperation with First Nations, Inuit, and Métis people across Canada, the 2023-2028 Action Plan (UNDA Action Plan) was released in June 2023.

The UNDA Action Plan contains 181 measures (APMs), four of which are specific to natural resources and clean energy and will be led by Natural Resources Canada. These measures focus on ensuring safe and secure resource development for Indigenous women, girls and 2SLGBTQQIA+ people (APM 12); developing guidance for engaging with Indigenous peoples on natural resources projects to seek prior and informed consent (APM 32); developing and implementing actions to increase economic participation of Indigenous peoples and their communities in natural resources development, including through the National Benefits-Sharing Framework (APM 33); and enhancing Indigenous peoples' participation in decision-making

processes related to projects and other matters that are currently regulated by the Canada Energy Regulator (APM 34).

The Government recognizes that when support is provided for businesses to grow, their workers must also see the benefit. As a result, the 2022 Fall Economic Statement and Budget 2023 announced that labour requirements would be attached to investment tax credits for clean technology, clean hydrogen, clean electricity, and carbon capture, utilization and storage. To be eligible for the highest tax credit rates, businesses must pay covered workers a total compensation package that meets or exceeds the prevailing wage. The definition of prevailing wage would be based on union compensation, including benefits and pension contributions from the most recent, widely applicable multi-employer collective bargaining agreement that may reasonably be considered the industry standard for a given trade, or corresponding project labour agreements, in the jurisdiction within which relevant labour is employed. Additionally, at least ten per cent of the tradesperson hours worked must be performed by registered apprentices in the Red Seal trades.

The Government is also considering broader social considerations when evaluating projects for funding. For example, under investments considered through the Strategic Innovation Fund (SIF), program staff evaluate overall benefits to Canada, innovation benefits, and public benefits including support for broad goals such as community engagement and economic inclusion. The department of Innovation, Science and Economic Development considers the types and quality of jobs created as part of its overall determination as to whether a project should be recommended to advance further in the assessment process. This includes focusing on well-paying jobs in fields such as science, technology, engineering and mathematics (STEM) fields, and ensuring there are job training opportunities for existing employees and co-op opportunities for students. All projects occurring on, or impacting, Indigenous modern treaty lands are required to undergo thorough rightsholder consultations and all proponents are encouraged to engage with nearby Indigenous communities to ensure that they benefit from economic development opportunities.

The Smart Renewables and Electrification Pathways Program (SREPs) also incorporates measures to increase benefits and enable the participation of underrepresented groups within the electricity sector, including but not limited to women; 2SLGBTQ+ persons; First Nations, Inuit and Métis peoples; racialized people; youth and persons with disabilities. Given that First Nations, Inuit, and Métis partners experience unique barriers to participating in the energy transition, SREPs provides greater funding percentages for indigenous-owned projects and supports smaller-sized projects if partially or fully indigenous-owned. Applicants are required to submit an EDI plan or commitment to be eligible for deployment project funding. The capacity building stream provides funding to help communities acquire knowledge, skills and resources that will improve their access to future renewable energy and grid modernization opportunities. The program also provides grant funding for Indigenous engagement activities.

**Create a dedicated government body to plan sustainable jobs initiatives and engagement towards the development of a net-zero economy (Recommendation 13):**

The Government of Canada agrees with this recommendation.

As indicated in the interim Sustainable Jobs Plan and the sustainable jobs legislation before Parliament, the Government is working to establish a Sustainable Jobs Secretariat within government to support the potential implementation of Bill C-50, the *Canadian Sustainable Jobs Act*, support the work of the Partnership Council and coordinate work on sustainable jobs across federal departments, including through the preparation of forthcoming Action Plans. The Secretariat was first announced as part of the 2022 Fall Economic Statement, which proposed providing \$250 million over five years towards a Sustainable Jobs Secretariat, and a new sustainable jobs stream under the Union Training and Innovation Program, as well as a Sustainable Jobs Training Fund.

The development of a central governance structure was among the most important best practices from other jurisdictions, a consistent recommendation heard throughout the public consultations, and a key recommendation of the Commissioner on the Environment and Sustainable Development in its 2022 report on just transition. Establishing a Sustainable Jobs Secretariat will provide leadership and allow for a whole-of-Government approach on sustainable jobs measures and offer a one-stop shop for workers and employers, providing the most up to date information on federal programs, funding, and services across government departments. Furthermore, it will enable critical engagement, including with provinces and territories, as Sustainable Jobs Action Plans are developed.

**Make project approvals more efficient and strengthen Canada’s business case as a first-choice destination for investment (Recommendation 14):**

The Government of Canada agrees with this recommendation.

The Government recognizes the need to make project approvals more efficient and to strengthen Canada's attractiveness as a first-choice investment destination for low-carbon resource and energy projects. Streamlining approval processes and providing a stable and supportive investment environment are crucial to strengthening investor confidence and accelerating the shift to a low-carbon economy.

Partnership and collaboration with Indigenous groups, industry stakeholders, and provincial and territorial governments are essential to enhancing a rigorous regulatory environment during the lifecycle of clean energy projects. Meaningful and early engagement and consultation with Indigenous groups offers an opportunity to further improve regulatory and project construction timelines. This early engagement allows for local and traditional knowledge to be included in the project design and planning and allows proponents to address potential concerns early and work toward mutually beneficial solutions.

The Government is taking action to accelerate the assessment of mining, energy, nuclear, and other major projects. Budget 2022 announced \$10.6 million for Natural Resources Canada’s



Critical Minerals Centre of Excellence to provide direct assistance to critical mineral developers in navigating regulatory processes and government support measures, and \$40 million to Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) to support Northern regulatory processes. The 2022 Fall Economic Statement announced \$1.3 billion over six years toward the Impact Assessment Agency of Canada, the Canada Energy Regulator, the Canadian Nuclear Safety Commission, and ten other federal departments to continue to improve the efficiency of assessments for major projects. Budget 2023 also announced \$11.4 million over three years for CIRNAC to engage with Indigenous communities and to update the guidelines for federal officials to fulfil the Crown's duty to consult Indigenous Peoples and accommodate impacts on their rights. The ongoing legal challenge related to the constitutionality of the Impact Assessment Act in the Supreme Court could also hold significant implications for projects, both those currently under evaluation and those yet to undergo assessment by the agency. The outcome of this challenge may impact the Government's efforts to implement this recommendation.

Through its Northern Projects Management Office (NPMO), CanNor also contributes to the efficiency, predictability and transparency of the territorial regulatory processes. This is done by coordinating federal departmental participation during environmental assessment processes; convening and providing issues management support to Indigenous organizations, industry proponents and other stakeholders during environmental assessment and regulatory review processes; and coordinating and maintaining the Crown consultation record for major projects in the territories.

The Government will propose further steps to ensure the effectiveness of Canada's reviews of major projects, which will support the growth of Canada's clean economy while continuing to uphold the highest standards for environmental and other impacts. By the end of 2023, the Government will outline a concrete plan to improve the efficiency of the impact assessment and permitting processes for major projects, which will include clarifying and reducing timelines, mitigating inefficiencies, and improving engagement and partnerships.

Through the Regional Energy and Resource Tables, the Government is also working with relevant partners to align resources, timelines, and regulatory approaches to capitalize on key regional opportunities. For example, through the British Columbia Regional Table, the Government is working with key partners to accelerate clean growth projects through regulatory and permitting processes, while retaining robust and integrated assessment processes consistent with the *UNDA*. This includes ground truthing innovative approaches to reduce timelines, mitigate inefficiencies, and improve engagement and partnerships.

**Ensure nuclear energy projects are classified as clean energy and made eligible for Sustainable Finance (Recommendation 15):**

The Government of Canada agrees in principle with recommendation 15 and has taken significant steps to recognize that nuclear energy can support a move to net-zero.

Over the last year, the Government has proposed several clean economy tax measures, many of which feature eligibility for nuclear technologies. Small modular reactor investments could benefit from the proposed Clean Technology Investment Tax Credit, while investments in nuclear reactors of all sizes could benefit from the proposed Clean Electricity Investment Tax Credit. Investments in the manufacturing of nuclear energy equipment as well as the processing and recycling of nuclear fuels or heavy water would benefit from the proposed Clean Technology Manufacturing Investment Tax Credit and a proposed expansion of the reduced corporate tax rates for zero-emission technology manufacturers.

The Government of Canada's commitment to nuclear energy as part of its approach to addressing climate change is also underlined by several funding announcements by the Canada Infrastructure Bank (CIB) and the SIF since 2018 and the inclusion of nuclear technology projects in net-zero initiatives such as the SIF's Net Zero Accelerator, alongside initiatives announced in recent federal budgets and broader federal strategic plans such as the Emissions Reduction Plan. Under the SIF, the Government of Canada provides support to nuclear energy innovation projects as clean energy projects and is working with various partners to support, in particular, the deployment of small modular reactor (SMR) technology across Canada. The SIF plays a key role in advancing Canada's SMR Action Plan, which aligns with the program's mandate of financing innovative sectors in which Canada has and is building a competitive advantage.

**Assess the scope and effectiveness of current tax measures, such as tax credits, for companies producing low-carbon and renewable fuels, including effectiveness of wage obligations and apprenticeship commitments (Recommendation 16):**

The Government of Canada agrees in principle with the Committee's recommendation, noting that the Department of Finance regularly reviews the scope and effectiveness of all tax measures. This will include the proposed prevailing wage and apprenticeship requirements being attached to certain investment tax credits.

The Government recognizes that low-carbon and renewable fuels, such as clean hydrogen, renewable diesel and sustainable aviation fuel, can be expected to generate fewer emissions on a lifecycle basis compared to fossil fuels, and will be critical to the growth of Canada's clean economy.

To support businesses producing low-carbon and renewable fuels, several tax incentives are already in place:

- To offset the cost of investing in eligible renewable fuel or electrolytic hydrogen production equipment, businesses can benefit from accelerated tax depreciation of such investments under capital cost allowance Classes 43.1 and 43.2.
- Businesses developing eligible renewable fuel or electrolytic hydrogen production projects can benefit from treating intangible project start-up expenses (e.g., engineering and design work, and feasibility studies) as Canadian Renewable and Conservation Expenses, which can be deducted in full in the year incurred, carried forward indefinitely for use in future years, or transferred to investors using flow-through shares.

- Reduced corporate tax rates for zero-emission technology manufacturers improve the after-tax profitability of eligible producers of biofuels from waste and hydrogen by electrolysis.

Most recently, in Budget 2023, the Government announced the details of the Clean Hydrogen Investment Tax Credit, which will support business investments in hydrogen production. As announced in Budget 2023, the Clean Hydrogen Investment Tax Credit would be subject to labour requirements. This is in addition to the proposed Carbon Capture, Utilization, and Storage Investment Tax Credit which could also support the production of low carbon fuels and would also be subject to labour requirements. Requirements include paying prevailing wages and ensuring that apprenticeship training opportunities are being created, discussed in more detail under recommendation 12. As with other tax measures, the Department of Finance will continue to review the effectiveness of the measures, including their scope and the potential eligibility of other relevant technologies.

The Government also supports the production of low-carbon and renewable fuels through a variety of other measures, such as:

- the Canada Infrastructure Bank, which will invest at least \$10 billion through its Green Infrastructure priority area, this includes clean fuel production and hydrogen production, transportation and distribution.
- \$1.5 billion for the Clean Fuels Fund to encourage investment in the production of clean fuels, including clean hydrogen and biofuels.

Recognizing the environmental and economic opportunities of growing Canada's biofuels sector, the Government committed in Budget 2023 to engage with the biofuels industry to explore opportunities to promote its growth in Canada. This will include an examination of different support mechanisms that could support the sector in meeting the growing demand for low emissions fuels.

**Work with stakeholders and partners to develop a low-carbon hydrogen industry (Recommendation 17):**

The Government agrees with this recommendation.

Work is underway to consult stakeholders and implement the Hydrogen Strategy for Canada, and there is an existing suite of federal supports for hydrogen production and infrastructure and the development of hydrogen hubs.

Natural Resources Canada (NRCan) is leading the implementation of the Hydrogen Strategy for Canada (Strategy) released in 2020. Thematic working groups have been established, co-chaired by government and industry, covering specific challenges across all aspects of the hydrogen value chain, from production, to transport, to end-use. Seven reports and studies have been prepared that have helped deepen knowledge of specific sector challenges and opportunities and building collaboration networks across industry, various levels of governments, utilities, and

academia. A full update of the Government's progress on implementing the Strategy will be included in the biennial report that will be published by the end of 2023.

The Government of Canada has several funding programs and tax credits that support the development of low-carbon hydrogen and the associated infrastructure including:

- Budget 2023 announced the **Clean Hydrogen Investment Tax Credit**, which will be available for eligible low-carbon hydrogen production equipment. It will 15% to 40% of eligible project costs, with credit rates depending on the life cycle emissions of the hydrogen produced. It is projected to provide \$17.7 billion by 2035. This investment tax credit (ITC) complements existing funding programs that fund hydrogen projects, and other announced ITCs such as the **Carbon Capture, Utilization, and Storage ITC**, **Clean Technology Manufacturing ITC**, and **Clean Electricity ITC**, which may also provide additional supports to hydrogen production projects.
- The **Clean Fuels Fund (CFF)**, is supporting 10 hydrogen production projects totaling over \$300 million in federal contributions. Some of the other 70 projects selected may use hydrogen as an intermediary to produce other clean fuels. For example, Braya Renewable Fuels in NL received \$37 million in CFF funding and \$49 million in Strategic Innovation Fund funding for the conversion of Newfoundland and Labrador's Come By Chance refinery. The refinery's owner is partnering with ABO Wind to power the refinery with low carbon hydrogen by 2027 and begin exporting biofuels to foreign markets by 2028.
- The \$8 billion **Strategic Innovation Fund – Net Zero-Accelerator (SIF-NZA)**, provides funding for new hydrogen projects as part of its Call to Action for Large Emitters Projects. SIF-NZA announced in late 2022 that 10 projects have been selected to move forward to the second phase of assessment of its Call to Action. To date, SIF-NZA has funded two hydrogen projects: \$300 million was announced in 2022 for Air Products Net Zero Hydrogen Energy complex in Edmonton, Alberta; and \$15 million was announced in June 2023 for AVL Fuel Cell Canada's global hydrogen fuel cell R&D facility in Burnaby, British Columbia.
- The **Zero Emission Vehicle Infrastructure Program** funds owners/operators of zero emission vehicle (ZEV) infrastructure, delivery organizations, and Indigenous organizations to deploy electric vehicle chargers and hydrogen refueling stations in Canada. The program has funded 36 hydrogen refueling station projects to date, and is targeting the deployment of 45 hydrogen stations by 2029.
- In 2022, the **Canada Infrastructure Bank** announced the launch of its \$500 million ZEV charging and refueling infrastructure initiative. The CIB has not yet funded any hydrogen refuelling infrastructure, however they have the authorities to do so. The Bank also invests in priority sectors including green infrastructure and clean power.
- The **Zero Emission Transit Fund** supports the deployment of hydrogen fuel cell powertrain solutions for transit. The fund has made funding commitments to Canadian cities, such as \$325 million to the City of Calgary, to support the city transition its bus fleets to zero emissions.
- The **Canada Growth Fund**, which will develop investment mechanisms such as contracts for difference for technologies such as hydrogen to offset some of the risks that may

deter private capital from flowing into clean energy and technology. Program details still under

- The **Energy Innovation Program (EIP)** funds research, development and demonstration projects, and other related scientific activities such as codes and standards development, which is imperative to realize a commercial hydrogen industry.
- **Alberta Innovates (AI)** [announced funding](#) of \$20.1M for 18 hydrogen projects through its Hydrogen Centre of Excellence, 10 of which are being co-funded in partnership with NRCan's Energy Innovation Program. The total value of funded projects, including matching investments from project partners, is more than \$200M. NRCan has committed to \$15M in funding across two Alberta Innovates competitions.
- The Government of Canada is supporting the development of hydrogen **hubs** that are close to production sites and markets. In June 2021, inter-governmental funding, including \$3 million from SIF was announced for Air Products Canada Ltd to build a clean hydrogen facility in Edmonton, a key site recommended by the Transition Accelerator as a hydrogen hub. Canada's regional development agencies like PrairiesCan and PacifiCan are providing funding for business plans, studies, and demonstration projects for hubs in Alberta and British Columbia. The Edmonton Region Hydrogen Hub, announced in 2021 and developed by an alliance of government, industry, academia, and Indigenous partners (it is co-chaired by former Confederacy of Treaty Six First Nations Grand Chief George Arcand Jr.), is the furthest along - with plans for more than 25 projects across the value chain and confirmed government funding awards of more than \$2 million. The Hydrogen Strategy's Hubs working group has been a forum for sharing information on hubs and regional blueprints successes to accelerate hubs development.

The targeted programming and strategic financing to the sector is also supported by regulations. Canada's federal **Carbon Pollution Pricing** system alongside the **Clean Fuel Regulations** provide a regulatory framework for growing a clean economy, which includes the build-out of a low-carbon hydrogen industry.

### **Skills, training, and income supports in the net-zero transition (Recommendations 18 and 19):**

The Government of Canada agrees with recommendation 18 and agrees in principle with recommendation 19.

The Report recommends that the Government collaborate with key partners to identify the skill sets needed in a low-carbon economy, prioritize reskilling and upskilling initiatives for historically marginalized or disadvantaged groups, develop training tailored to these skill sets and groups, and ensure that training programs are developed in partnership with organized labour. It also recommends that the Government work with provincial and territorial governments to assess the effectiveness and resilience of Canada's benefits system in the context of a shift towards net-zero emissions.

The Government continues to collaborate with key partners and stakeholders to ensure that opportunities are accessible to young people and people from equity-deserving groups (such as

women, Indigenous peoples, persons with disabilities, newcomers, racialized communities and 2SLGBTQI+), to ensure inclusive prosperity.

Employment and Social Development Canada has a history of working with provinces, territories, Indigenous communities, academia, industry, unions and others to ensure that all Canadians, including historically marginalized or disadvantaged groups, have the skills they need to thrive. For instance, the Government's largest investment in training is through bilateral labour market transfers with provinces and territories. Each year, the Government provides approximately \$3 billion in funding for individuals and employers to obtain training and employment supports through the bilateral Labour Market Development Agreements (LMDAs) and the Workforce Development Agreements (WDAs). The WDAs are funded from general revenues and help those farther removed from the labour market, employed individuals and employers. More than a million training and employment supports are offered to individuals and employers under these agreements each year. While the Government of Canada provides funding through these agreements, the LMDAs and WDAs require PTs to consult annually with labour market stakeholders in their jurisdictions to inform the programming that best meets the needs of their respective jurisdictions.

The Red Seal Program is another long-standing federal/provincial/territorial collaboration with industry that sets national occupational standards and creates common assessment materials for trades designated as Red Seal. The Red Seal Program is overseen by the Canadian Council of Directors of Apprenticeship and delivered with funding support from the federal government. Red Seal national standards are used by provinces and territories to develop harmonized apprenticeship training curricula. There is more specific content being added to these standards that cover "green" learning objectives and topics such as lowering emissions and pollution, to emerging technologies that impact net-zero climate goals and a reduction in the trades' environmental footprint.

The Government also offers a broad suite of programming to support jobseekers and workers of all ages and from a variety of socio-economic backgrounds, as well as employers, unions and training providers. Many of these programs, created in consultation with stakeholders, are already helping to advance sustainable jobs. They include:

- The **Sectoral Workforce Solutions Program**, a program that helps key sectors of the economy implement solutions to address their current and emerging workforce needs, including priority areas such as 'Building Talent for the Clean Economy'.
- The **Canadian Apprenticeship Strategy**, which provides funding to help pre-apprentices, apprentices, employers, unions, and other organizations and tradespeople participate in apprenticeships and succeed in skilled trades careers. This includes recent investments to develop green skills training for workers in the trades under the sustainable jobs initiative.
- The national Campaign to promote the skilled trades as a first-choice career to youth and their influencers.

- The **Indigenous Skills and Employment Training Program**, a distinctions-based program that funds skills development and job training for First Nations, Inuit, Métis and urban/non-affiliated Indigenous Peoples. Through this program, Indigenous service delivery organizations have the autonomy to determine their own priorities and design programming that meets the needs of their people and communities which may include initiatives related to the net-zero transition.
- The **Skills and Partnership Fund**, a project-based fund that supports partnerships between Indigenous organizations and industry employers to provide skills training for Indigenous peoples in priority sectors, which include industries that support more efficient use and alternative sources of energy and resources. Through this Fund, Indigenous people are being trained for current and emerging job opportunities in the green economy.
- The **Youth Employment and Skills Strategy**, a horizontal initiative led by ESDC and delivered in collaboration with 11 other federal departments, agencies and Crown Corporations. The YESS provides funding to organizations to deliver a range of activities that help youth overcome barriers to employment and develop a broad range of skills and knowledge to participate in the current and future labour market. Some YESS programs such as Environment and Climate Change Canada's Science Horizons Youth Internship Program, Natural Resources Canada's Science and Technology Internship Program - Green Jobs, and Parks Canada's Young Canada Works Program focus on connecting young Canadians with careers in the sustainable jobs sector.
- The **Opportunities Fund for Persons with Disabilities**, a program that assists persons with disabilities overcome barriers to participation in the Canadian labour market, and support employers hiring persons with disabilities.
- The **Foreign Credential Recognition Program**, to support the labour market integration of skilled newcomers by funding projects that will make credential recognition processes faster and more efficient, and providing loans (up to \$30,000), support services, and employment supports to help skilled newcomers acquire Canadian work experience, including within the low-carbon sector.
- The **Canada Training Credit**, a refundable tax credit that can reimburse up to half the cost of eligible tuition and fees. Eligible workers aged 25 to 64 accumulate \$250/year in credits, up to a lifetime limit of \$5,000.

In addition, the **Upskilling for Industry Initiative**, led by Innovation, Science, and Economic Development Canada, is expected to help more than 15,000 Canadians, including those from underrepresented groups, and place employers at the forefront of identifying the skills needs of high-growth sectors through partnerships between employers and training providers that create short cycle upskilling programs designed to meet employers' needs.

Looking forward, as articulated in the interim Sustainable Jobs Plan and proposed legislation, the Government will continue to support the creation of sustainable jobs by leveraging current

programming and by working closely with stakeholders to help identify the skill sets needed for a low carbon economy and ensure that Canada's entire workforce is equipped to succeed. This continues to be important in the current context also characterized by labour shortages, population aging and technological change.

The 2022 Fall Economic Statement announced funding for the creation of a Sustainable Jobs Training Fund, also an action area under the interim Sustainable Jobs Plan. The Fund will aim to bring together workers, unions, employers, and training institutions across the country to focus on specific areas in high demand, starting with the sustainable battery industry and low-carbon building and retrofits. It will seek to help 15,000 workers across the country upgrade or gain new skills for jobs in the low-carbon economy.

In addition, the 2022 Fall Economic Statement announced a new sustainable jobs stream under the Union Training and Innovation Program (UTIP), a key pillar of the Canadian Apprenticeship Strategy, to support unions in leading the development of green skills training for workers in the trades. It is expected that an additional 20,000 apprentices and journeypersons could benefit from this investment.

Canada has a strong social safety net of which the Employment Insurance (EI) program is an important part. Millions of Canadians rely on it each year when they lose their jobs or need to step away from work for illness, childbirth, or taking care of a loved one. The Government has completed two years of comprehensive consultations with stakeholders and Canadians and work continues on how to build an EI program that is responsive to all labour market conditions, whether in high or low unemployment situations, and is accessible, adequate and financially sustainable.

Canada also has a comprehensive pension system, the **Old Age Security Program** and the **Canada Pension Plan (CPP)** for all Canadian workers, no matter what type of work they choose. The Old Age Security Program is quasi-universal, with benefits being paid to seniors 65 and over based on years of residence in Canada after age 18. Furthermore, recent studies and modelling suggest that one of the most significant challenges facing the low-carbon economy will not be a shortage of jobs, but instead an abundance of jobs with a shortage of skilled workers required to fill them. Assisting workers to acquire new skills to support continued employment in the low-carbon economy will be key to filling future needs.

In conclusion, the Government of Canada is taking bold and immediate action to reduce greenhouse gas emissions to fight climate change, while strengthening our economy with clean industrial growth and related sustainable jobs. This shift towards a low-carbon economy presents significant opportunities across existing and emerging sectors and will require the transformation of Canadian industries and the Canadian labour market (or labour markets). Ensuring Canada has an economic plan to advance a low-carbon economy and a workforce that can thrive in the low-carbon economy is fundamental to achieving our climate targets. The recommendations of the Standing Committee on Natural Resources reinforce the impetus for current and forthcoming actions by the Government. The Government will continue to put in



place measures to advance the creation of sustainable jobs while communicating these actions and catalyzing further actions through the Sustainable Jobs Action Plans on a five-year accountability cycle, beginning in 2025. In developing these successive Plans the Government will continue to consider relevant reporting, including the recommendations of the Standing Committee on Natural Resources, the work of the forthcoming Sustainable Jobs Partnership Council, and input shared through ongoing engagement with stakeholders and partners.