



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

## **Standing Committee on Natural Resources**

---

RNNR • NUMBER 134 • 1st SESSION • 42nd PARLIAMENT

---

**EVIDENCE**

**Tuesday, April 30, 2019**

**Chair**

**Mr. James Maloney**



## Standing Committee on Natural Resources

Tuesday, April 30, 2019

• (1535)

[English]

**The Chair (Mr. James Maloney (Etobicoke—Lakeshore, Lib.)):** Good afternoon, everybody. Thank you for joining us. Our apologies for the last-minute room change. Apparently there are some technical difficulties upstairs which necessitated the move, but we're all here now. It all worked out thanks to our clerk and everybody else who made the change work out so quickly.

This afternoon, pursuant to Standing Order 81(4), we're considering the main estimates for 2019-20: vote 1 under Atomic Energy of Canada Limited; vote 1 under Canadian Nuclear Safety Commission; votes 1, 5, 10, 15, 20, 25, 30, 35 and 40 under Department of Natural Resources; votes 1 and 5 under National Energy Board; and, vote 1 under Northern Pipeline Agency. These were referred to the committee on Thursday, April 11, 2019.

Minister, I want to start by thanking you for taking the time to join us today. We all know how incredibly busy you are. We're always grateful to you for making time in your schedule to be here with us. I'd like to also welcome your colleagues who are joining us as well.

You all know the process, so I don't need to give any explanation. I will turn the floor over to you. Following that, we will be going to a period of questions and answers.

Minister, the floor is yours. Thank you.

**Hon. Amarjeet Sohi (Minister of Natural Resources):** Thank you, Mr. Chair.

Good afternoon, everyone.

It's great to be here again to talk about what important investments our government has made in forestry, mining and the energy sector since October 2015, and how we can continue to invest in the future of Canada's natural resource sectors. This is a critically important time for our resource sectors and, more importantly, for Canadian workers.

As we all know, the world's energy needs are changing. Countries are increasingly looking to import sustainably sourced products. There is a growing consensus on the need to take immediate and sustained action on climate change. Some may choose to ignore these changes, keep their heads in the sand and hope for the best, but that is not the Canadian way. We are innovators.

Let's not forget that it was Canadians who first discovered how to get oil out of the oil sands. It was Canadians who created the first all-

electric, battery-powered gold mine. It was Canadians who first built the largest North American passive house.

So how do we prepare for the future while also responding to the needs of today?

It starts with listening. In 2015, Canadians made it clear that protecting the environment and growing the economy could no longer be treated by the government as opposing goals.

Through Generation Energy, over 380,000 workers and leaders from renewable energy and clean tech, from oil and gas, from municipalities, indigenous leaders and Canadians helped build the idea of what our energy future could look like and how we can get there. We listened, and we have taken action to deliver for middle-class Canadians and those working hard to join the middle class.

We have done this by attracting new investment, extending the mineral exploration tax credit for five years, which is the first ever multi-year extension, and unveiling a plan that will position Canada as the world's undisputed mining leader. It is creating tens of thousands of jobs by supplying the minerals that will drive the clean growth economy.

We are reimagining the forest sector so our vast forests continue to play an essential role in our economy, not just here in Canada but around the world.

Through our investment of over \$1 billion in energy efficiency, we are helping Canadians save money on their energy bills while fighting climate change.

We are building our energy future with a clear focus on expanding our renewable sources of energy, gaining access to global markets and making our traditional resources, such as oil and gas, more sustainable than ever.

Continuing this work and building on our progress to date is the big picture behind our main estimates. It mirrors a lot of what you have studied in your work as a parliamentary committee and the valuable recommendations you have provided to our government. I want to thank you for your work on behalf of Canadians.

The funding contained in this year's main estimates would support our department as we address the challenges in front of us, but also the opportunities ahead. This funding includes: advancing the use of new, clean technologies in the resource sector; helping remote, northern indigenous communities reduce their reliance on diesel; combatting the spruce budworm outbreak through early intervention; and extending our support to the many communities impacted by the unjustified tariffs on softwood lumber.

It will also give us the funds needed to implement key pillars of budget 2019. This includes new investments to encourage more Canadians to buy zero-emission vehicles; engage indigenous communities in major resource projects; improve our energy data, a key study from your committee; and enhance our ability to prepare for and respond to disasters that increasingly require federal action.

● (1540)

As I noted at the beginning of my remarks, this is a pivotal moment in our country's history and it is not without its challenges, whether they are building pipeline capacity in the west, fending off protectionist measures to our south or changes across our economy in all regions of our country.

Canada's unemployment rate may be at a 40-year low, but we need to be mindful of Canadians who are anxious about their future. In my home province of Alberta, we have seen ongoing challenges for many workers because of fluctuating commodity prices. Our government sees all of these challenges, and we are taking them head-on.

That is why we announced a \$1.6-billion action plan to support workers and enhance competitiveness in our oil and gas sector. That is why our government is providing up to \$2 billion to respond to the U.S. tariffs that are threatening Canadian workers in our steel and aluminum sectors. It is why we built on the \$867 million through our softwood lumber action plan with continued support to the forest sector in budget 2019.

It is why we are providing \$150 million to ensure a just transition for workers and communities affected by the phasing out of coal-powered electricity. It is why we are improving the way we make decisions on major projects, so that all Canadians have trust in their reviews, ensuring that we can advance nation-building projects that will grow our economy without putting our health, environment or communities in harm's way.

It is also why we have been doing the hard work necessary to follow the path set out in the Federal Court of Appeal's decision on the proposed Trans Mountain pipeline expansion. While that decision was a disappointment to many, it provided clear guidance on how the process could move forward in the right way, in a specific and focused way.

Some argue we should ignore that guidance, disregard the court and respond with lengthy appeals designed to avoid our obligations to the environment and to indigenous peoples. Our government took the responsible and more efficient path. We directed the National Energy Board to conduct a review of marine shipping and committed to getting phase three consultations right.

That important work is well under way. The NEB report was delivered on time on February 22. In parallel, our consultation teams

have been hard at work on phase three consultations. These teams, nearly double their original size, have been engaging in meaningful, two-way dialogue to discuss and understand priorities of indigenous communities and to offer responsive accommodations where appropriate. I have also personally met with many indigenous communities to help build a relationship based on trust.

Our work to date has put us in the strong position we are in today to deliver this process for all Canadians. Our work on TMX, our historic investments in solar, wind, geothermal and other forms of energy and our commitment to innovation and the development of new technologies are laying the foundation for a strong Canada both for today and for tomorrow.

Mr. Chair, our government sees our resource industries playing a key role in driving Canada's clean growth economy. We value the expertise and experience at Natural Resources and the drive of all Canadians to help make it happen.

These main estimates are a down payment on Canada's future, a future that our children will inherit with pride and build upon with confidence, a future that will continue to create well-paying, middle-class jobs for Canadians and future generations.

With that, I would be happy to take your questions.

Thank you for having us here.

● (1545)

**The Chair:** Minister, thank you for your remarks.

The honourable Kent Hehr is going to start us off.

**Hon. Kent Hehr (Calgary Centre, Lib.):** Thank you very much, Mr. Chair.

Minister, thank you so much for coming. You have explained how Albertans figured out the oil sands. It was 1975 when Premier Peter Lougheed, Premier Bill Davis and our Liberal government invested in the modern oil sands. In 1997 it was Premier Klein and then prime minister Chrétien investing in the oil sands and expanding them once again.

You rightfully point out the purchase and the going ahead with Trans Mountain pipeline in the right way, but in my riding of Calgary Centre there are many oil companies and in fact energy workers from whom I continue to hear questions about the industry's competitiveness. They are concerned about a potential layering effect from the various environmental regulations and how they might make our oil and gas industry less competitive. We want to ensure that Canada is the supplier of choice for oil and gas around the world. How do we make sure that we are protecting our environment and yet ensuring that we remain competitive globally?

**Hon. Amarjeet Sohi:** Through you, Mr. Chair, I thank the member so much for that question.

As you know, we were in Calgary last week announcing funding support for a very promising new technology that is investing in testing a prototype for geothermal. When you talk to companies like that, they know that if they are successful in commercializing that technology, it can create 40,000 jobs in western Canada, mainly for people who are currently working in the oil sector, people who are drilling and doing that work. We're investing in new technology and investing in our traditional oil and gas sector to make it more clean and green, with the provisions of the accelerated capital allowance announced in last Year's fall economic statement as well as the \$100 million allocated in budget 2019 to foster collaboration and innovation amongst the oil and gas sector.

I can give you a number of examples that make our energy sector competitive. We will continue to keep an eye on it so that we remain competitive. We want to make sure our oil and gas sector, our renewable sector, remains a source of well-paying middle-class jobs for Canadians for decades to come. We will continue to make sure our support is there.

● (1550)

**Hon. Kent Hehr:** It's my understanding that the Trans Mountain pipeline consultations and review are continuing. I saw the announcement that there will be a further extension in consultations. I'm wondering if you can give us an update on where we are in this process.

**Hon. Amarjeet Sohi:** We have eight teams consisting of 60 individuals, professionals who have been engaging in meaningful two-way dialogue with indigenous communities over the last number of months. During that consultation, indigenous communities requested an extension to the timelines. In order to accommodate that reasonable request, we extended the timeline by three weeks. This week we sent out a draft copy of the Crown's consultation and accommodation report to all the communities who engaged with us. Now they're able to comment on that draft report. We want to make sure they have enough time to actually read it and go through it and analyze it and give us good input.

Our goal is to make a decision on this project by June 18. The way things are going, I think we're in a good position to achieve that.

**Hon. Kent Hehr:** Market access is the key, Minister. I think with moving forward on Trans Mountain the right way, obviously with Enbridge Line 3 and hopefully with Keystone XL, are you confident that this will be enough to allow us to have our supply from Alberta oil taken care of in the short and medium terms?

**Hon. Amarjeet Sohi:** Well, we all know—members of this committee have raised this issue a number of times—and Albertans, people in the energy sector and workers in that sector understand that the lack of pipeline capacity is costing our economy jobs. It is costing potential growth in the sector. That's why from day one when we got into office we focused on expanding that pipeline capacity.

We are the government that gave approval to the Nova gas pipeline, which is built in Alberta. We are the government that gave approval to Enbridge Line 3, and the construction of that project in Canada is almost complete. We are working with the U.S. government in alleviating some of the challenges that are being faced in that country. I was in Houston meeting with Secretary Perry to advocate building of the Keystone XL pipeline.

We will continue to work with the private sector to advance their shared goal of moving forward on that project, and taking the right approach to get the process right on the Trans Mountain pipeline expansion project is a strong commitment. We are the government that invested \$4.5 billion when that project could have possibly fallen apart because of the uncertainty that existed at that time.

● (1555)

**Hon. Kent Hehr:** In your conversations with oil companies, I know that Suncor, Synova, CNRL and companies like that were very supportive of putting a price on pollution. They understood that climate change is real and we need to be part of that solution.

Is that still your conversation with oil executives? Do they understand the need to move forward in this way?

**Hon. Amarjeet Sohi:** In the conversations we have with our energy sector partners, they absolutely understand that choosing between the economy and the environment is a false choice and that we can do both. We can protect our environment and we can continue to grow our economy in a way which at the same time makes sure that indigenous communities are partners, that they are able to participate in the process, and at the same time also participate in the economic opportunities that these projects provide.

**The Chair:** Minister, I have to ask you to wrap it up, please. Thank you.

Mr. Schmale, I understand you're going to go first, but you're splitting your time with Ms. Stubbs. Is that right?

**Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC):** That's correct.

**The Chair:** Okay.

**Mr. Jamie Schmale:** Thank you, Minister, for being here. I appreciate your testimony. I have a lot of questions to get through, as you can imagine, so I'm going to try to keep them brief. Maybe you can be equally tight with your answers, and we'll try to get through as many as possible.

The first is with regard to TMX. The Federal Court of Appeal said, "The concerns of the Indigenous applicants, communicated to Canada, are specific and focussed. This means that the dialogue Canada must engage in can also be...brief and efficient...".

Between October and February, the National Energy Board conducted extensive consultations with indigenous communities, including hearing oral testimony in multiple cities in both Alberta and British Columbia. The courts never questioned the consultation process of the NEB.

You say June 18 is your goal. What assurances can Canadians have, given that so far, every deadline set has been missed?

**Hon. Amarjeet Sohi:** First of all, through you, Mr. Chair, there were two issues the Federal Court identified in the ruling of August 30, 2018. One was the issue of not conducting the review of marine safety related to marine tanker traffic. That was the process which the NEB had undertaken, and they have made a decision and a recommendation to approve this project.

The other issue is the indigenous consultation that my department has been undertaking. We have been clear from day one that our goal is to get the process right, so we never set a deadline on the conclusion of those consultations. We've always said that we will make a decision when we feel that we have adequately discharged our constitutional obligation for meaningful consultation with the indigenous communities. Now we feel with the work that has been done that our goal is to make that decision by June 18.

**Mr. Jamie Schmale:** Minister, thank you.

By pushing off the decision date to June 18.... The Prime Minister confirmed to Premier Kenney on April 18 that, quote, he just needed two more weeks to complete consultations with indigenous communities. Obviously, it's been longer than two weeks. Can you confirm that shovels will be in the ground this summer?

**Hon. Amarjeet Sohi:** We extended the consultation process by three weeks at the request of the indigenous communities. I think it is a reasonable request coming from our partners who we are engaging. Cabinet would have to make a decision on this project, and I cannot predetermine the decision of cabinet. Once that decision is made, the next part of the process will unfold.

**Mr. Jamie Schmale:** Okay. I have more, but I have to cede my time to Ms. Stubbs.

Thank you, Minister.

**Mrs. Shannon Stubbs (Lakeland, CPC):** Minister, I think what's concerning is the judge in the court ruling specifically said that the renewed consultations with indigenous communities can be brief and efficient. Instead of that happening, you were threatening very recently that you will not meet the June 18 deadline for the final cabinet decision. That's why we're asking these questions.

The National Energy Board, even with the expanded scope of course, has said twice that the project is in the national interests, with two exhaustive, independent, scientific assessments of the expansion.

You said last year that not building Trans Mountain is not an option. The Prime Minister said 11 months ago that we're going to get that pipeline built. Your predecessor said you were buying the

pipeline to get the expansion built right away. The finance minister said you were doing that to build it immediately. Your Liberal cabinet had already approved the pipeline previously.

Given what I'm sure is our shared value of the evidence-based, science-based, expert-based and independent regulator's recommendation, can you commit that the cabinet will approve the TMX on June 18 and indicate when shovels will be in the ground?

• (1600)

**Hon. Amarjeet Sohi:** I think it is important to understand that, when we undertook the analysis of the court ruling, we also engaged former Supreme Court justice Iacobucci to give us the advice to ensure that we are properly understanding the direction of the court, but also whatever decision is made in the future, that the process can withstand the challenges of the commitments that we have made under the constitutional obligations the Crown has to indigenous communities.

My goal is to ensure that the process is properly followed, that we do not cut corners on that process.

**Mrs. Shannon Stubbs:** Thank you, Minister. You confirm that the cabinet will approve the TMX again. That's fine.

On a different topic, last week you publicly threatened to include in situ oil sands projects under Bill C-69's project lists, in a political response to the election in Alberta. Of course, I'm sure you know and feel just as strongly as I do, as an Albertan, that oil extraction and upstream resource development is provincial jurisdiction, and of course a threat is only a threat if there's a negative consequence.

Now that you've finally admitted what industry, economists, first nations, premiers and other groups have been saying for a year, that Bill C-69 is meant to harm oil and gas development, will you commit to repealing Bill C-69 before it's too late and ensure that in situ oil sands projects will not face federal review?

**Hon. Amarjeet Sohi:** Through you, Mr. Chair, when the draft discussion paper was launched regarding what goes on the project list, it was mentioned in the draft discussion that in situ projects will be exempt from Bill C-69 federal review as long as there is a cap on emissions in the jurisdiction where they are being proposed. We have been clear, as part of the pan-Canadian framework on climate change and clean growth, we want to ensure that our oil and gas sector continues to grow in a sustainable way and that they're able to continue to innovate. We will continue to support them investing in new clean technologies. The sector can continue to grow, and at the same time we want to make sure that emissions are controlled as well.

**Mrs. Shannon Stubbs:** You will risk provincial jurisdiction being intervened and in situ oil sands development in Alberta potentially being exposed to a federal review.

**Hon. Amarjeet Sohi:** We look forward to—

**Mrs. Shannon Stubbs:** That's seven minutes, Chair.

Yes, it is. That was my concluding comment.

**Hon. Amarjeet Sohi:** —working with the new government.

**The Chair:** Thank you, Minister.

Mr. Cannings.

**Mr. Richard Cannings (South Okanagan—West Kootenay, NDP):** Thank you, Minister, for being here today.

I'm just going to start with some follow-up questions. The last time you were here, I gave you three suggestions that you might want to consider in the budget. Having now seen the budget, I just wanted to follow up with those.

One is about home retrofits. We all know that energy efficiency is one of the best ways to reduce our greenhouse gas footprints in Canada. We had a very successful program here started by the Conservative government in the previous parliaments, the eco-energy retrofit program. Its last iteration had \$400 million in the 2011 budget. Unfortunately it was cancelled and hasn't been brought up again by this Liberal government. First, it seemed that retrofits were kicked over to the provinces in the pan-Canadian framework, and in this budget, there's an item for \$300 million that is being put down under the municipalities through the FCM.

I'm rather confused and concerned that the federal government hasn't taken it upon itself to actually do this itself. This is leadership that I think Canadians expect from the federal government. With something as serious as climate action, we really need to do things quickly and boldly. It seems that this is just another example of putting things down onto the municipalities.

I'm confused. For one thing, in the book here, it says in one place that this is to be spent in the 2018-19 fiscal year. In another place it says it's to be spent in the 2019-20 year. That's not what I'm concerned about here. It's just one more confusion.

I guess now that this money has been transferred, I assume to FCM, how long will they have to spend this? Is this a one-year pot, like the \$400-million pot that the Conservatives put up? Will municipalities have to sign on individually? I don't live in a municipality. How do I access this program? If we had done it nationally, those questions would not have to be asked.

• (1605)

**Hon. Amarjeet Sohi:** Through you, Mr. Chair, thank you so much for that question because we believe that energy efficiency is one of the ways that we can reduce the impact of climate change and make our communities more resilient and reduce emissions.

The funding that you are referring to, the \$1 billion that is being transferred—

**Mr. Richard Cannings:** Well, it's \$300 million for retrofits.

**Hon. Amarjeet Sohi:** A portion of that is going to the FCM. Then there's a gas tax transfer to municipalities as well that directly goes to municipalities. Funding is also available for energy efficiency through, as you mentioned, the bilateral agreements that we signed with the provinces, plus \$300 million is to be managed by the FCM.

We're trying to supplement and not duplicate. We are trying to ensure that programs are already effectively working. FCM has managed a green municipal fund for the last decade or maybe longer, so we are just supplementing the good work the FCM is doing.

**Mr. Richard Cannings:** I'm thinking about my riding. It's mainly tiny communities of 500 people, 1,000 people. These are not communities that have the resources, the people resources, the administration resources, to manage these programs on their own. Why are you putting it on them or the FCM rather than doing it through the federal government?

I'll move on now because I have a few more questions.

The last time I asked, I was looking for ways the federal government could support the forest industry. As you know, it's having hard times. We still have softwood lumber tariffs hanging over it. There are mills in my riding that are closing for periods of time this spring to save money because they've been hit as lumber prices have fallen.

The last time you were here, I suggested that the federal government could put up bold funding to help these communities and this industry and also keep them protected. We've had two years of forest fires in British Columbia alone that cost \$1 billion a year just to fight the fires, and perhaps \$10 billion in costs to deal with the aftermath.

The forest experts I've talked to suggest that we should be spending \$1 billion each year in British Columbia to mitigate those actions. I see small, various programs to help the forest industry in this budget, but I don't see anything significant that will go after the safety of communities in forest environments. With most of the communities in British Columbia, for instance, and many communities across Canada, where the federal government could provide funding that would help the provinces and municipalities thin the forests in the interface areas, it would provide fibre for local mills, provide work and keep people safe.

I met with a community group in my riding a couple of weeks ago. They're one of Canada's top fire safe communities. They are desperate for any government help they can find. Right now, they get \$500 a year. If they got \$1,000 a year, they'd be happy. They're just a tiny community. I'm wondering why I don't see anything in this budget that is a significant help in terms of fire smarting these forest communities.

The Filmon report suggested an amount for British Columbia, an amount that has not even.... Only 15% has been sent. We're talking about billions of dollars here.

I'm wondering if there's any hope for the future that this federal government will step up and make some really meaningful contribution in this regard.

• (1610)

**The Chair:** Minister, he didn't leave you very much time to answer that question, so if you could be very brief, I'd be grateful.

**Hon. Amarjeet Sohi:** Yes. I look forward to engaging more on specific communities and projects, or ideas that you may have in mind.

I spoke with my counterparts, all the forestry ministers, a few months ago about having a joint working group to develop some proposals on how we can work together on those issues.

I can definitely follow up with you on that.

**The Chair:** Thank you.

You're out of time.

Mr. Whalen.

**Mr. Nick Whalen (St. John's East, Lib.):** Thank you very much, Mr. Chair.

Thanks for coming, Minister.

In Mr. Cannings' remarks, he got almost to the point of asking you a question on how the Government of Canada is helping rural and remote communities in this budget.

I am looking at table A.2, Natural Resources Canada's 2019-20 transfer payments. It says that we're increasing those amounts from last year to this year from \$14.2 million to \$21.4 million.

Can you or your officials provide us with some colour as to how this money is going to help rural and remote communities access clear energy programs, and what type of administrative support might be available for smaller communities that don't have the in-house capacity to necessarily think through all the options themselves?

**Hon. Amarjeet Sohi:** Through you, Mr. Chair, there are a number of programs available for rural, isolated and northern communities, whether they are in the area of getting those communities off diesel to new renewable sources of energy, or using waste wood to turn that into biofuels, or investments in indigenous communities to encourage indigenous economic development.

I'll ask my officials to elaborate a little more on that particular program.

**Ms. Cheri Crosby (Assistant Deputy Minister and Chief Financial Officer, Corporate Management and Services Sector, Department of Natural Resources):** I'm happy to do that.

Through you, Chair, the particular thing you're referring to is the clean energy for rural and remote communities program, which is increasing by \$7 million from last year. It was launched in budget 2017, the year before, so we've been ramping it up.

In terms of some of the details, we have committed to supporting the deployment of renewable electricity technologies for \$89 million.

We're going to be getting into demonstrating renewable technologies in electricity and heating, deploying bioheat technologies in rural and remote communities, supporting capacity building as well, and just encouraging energy efficiency through a variety of ways.

I'll leave it there, unless you want more detail.

**Mr. Nick Whalen:** For the record, I think that probably responds to Mr. Cannings' earlier statement.

In terms of the extension of time in order to fully complete the consultation process with indigenous groups for the Trans Mountain expansion, you indicated that you've engaged former justice Iacobucci on this. My own province was obviously quite anxious about our own indigenous consultations with respect to offshore exploratory drilling, which have come to what we understand to be a successful conclusion.

Maybe you can provide us with some context on why it's important to provide this extension and what confidence you can give us, based on the experience of the government thus far, that our new processes in this regard are working, are compliant and will survive a court challenge.

**Hon. Amarjeet Sohi:** Through you, Mr. Chair, we are very serious about how we engage with indigenous communities. We learn new things and look for new opportunities to engage in a meaningful way.

In this particular case, those drilling projects had a number of conditions that were imposed, and rightfully so. I think we have a lot of expertise in our offshore authorities and the bodies that do the consultations. We've continued to learn how to engage, and in some cases, some processes are better than others, so we will continue to explore and learn.

• (1615)

**Mr. Nick Whalen:** Is there anything in particular you'd like to elaborate on in terms of the three-week extension that might be able to give us some comfort that this is the right thing to do?

**Hon. Amarjeet Sohi:** I would say one of the ways of being open and responsive is to listen to your partners in a sincere way. They made a sincere request to us for an extension and we responded. I think our responding to the request that indigenous communities made to us shows our commitment.

**Mr. Nick Whalen:** In terms of making Canada a global leader in mining, at a conference in Toronto just a couple of months ago I heard from mining leaders that they want to make sure that when they engage in scientific discussions with the government, they and the government are learning from past practice, moving forward and not reinventing the wheel.

Can you provide us some clarity on how your department is ensuring we're learning from past practice and continually improving our environmental regulatory process?

**Hon. Amarjeet Sohi:** Through you, Mr. Chair, we were very happy to launch the Canadian mineral and metals plan. I'm pretty sure some of you have seen it. If you haven't, I would encourage you to look at it. We can provide copies. This work is a collaboration with industry and many stakeholders.

In an economy where more investments are being put into solar, wind and electric vehicles, the minerals and metals we have as Canadians have a huge potential for us to create thousands and thousands of well-paying jobs throughout the country and will help transition to a more clean and green economy.

This helps deal with climate change. It allows us to move forward on creating jobs as well as investments in new technologies, for example, in the extraction area. The first-ever all-electric gold mine, the Borden gold mine, is a good example of how we can work with industry to support that.

**Mr. Nick Whalen:** Thank you, Mr. Chair.

**The Chair:** Mr. Schmale, I understand you're splitting your time again. You have five minutes this time.

**Mr. Jamie Schmale:** Thank you very much.

Thank you, Minister. I will be very quick.

Minister, I want to talk about your subsidies for zero-emission vehicles. As I'm sure you know, we have seen that none of the total electric vehicles are made in Canada. The only hybrid made in Canada is the Chrysler Pacifica.

Having said that, I went on the Nissan Canada website and I built myself the most basic Nissan Leaf, one of the best-selling electric vehicles on the planet, with no toys, nothing. It costs \$817.74 a month.

Given that this is a mortgage payment for some, can you please explain this to me? I don't understand why we're subsidizing the very rich to purchase these vehicles that aren't even made in Canada.

**Hon. Amarjeet Sohi:** Through you, Mr. Chair, there's a cap on the price for the vehicles that can be purchased through this incentive, and that price is to ensure that middle-class Canadians are able to access this incentive and that the wealthy Canadians, who can probably afford to buy—

**Mr. Jamie Schmale:** Yes, but that \$817 includes the discount.

**Hon. Amarjeet Sohi:** The other goal is to spur more innovation and investment in zero-emission vehicles as part of our overall climate change plan. That's the reason this incentive is provided.

**Mr. Jamie Schmale:** Thank you.

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

By how many cents will your government's new fuel standard increase the cost of a litre of diesel, a litre of gasoline and a cubic metre of natural gas?

**Hon. Amarjeet Sohi:** The discussion around fuel standards is being led by Minister McKenna at ECCC. They are in discussions with industry stakeholders. We will make sure that we always keep our competitiveness in mind when we launch any policy, making sure that middle-class Canadians who work hard every day to be part of the middle class, that their living remains affordable. That's why —

• (1620)

**Mrs. Shannon Stubbs:** The policy has been posted on your department's website for months, and I just find it incredible that after two years of developing the policy, Liberal ministers don't seem to be able to answer how much it would cost Canadians.

The Chemistry Industry Association of Canada says the fuel standard will be the equivalent of a \$200 a tonne carbon tax. Industry is saying anywhere between \$150 to \$280 a tonne carbon tax, and your government provided a 95% exemption from the carbon tax for large emitters, as the environment minister said, "to stay competitive and keep good jobs in Canada".

If those companies, according to that analysis, will do what Conservatives have been warning about for years, shut down their businesses and kill jobs in Canada if they pay more than 5% of your carbon tax, how can you rationalize imposing these dramatic costs on those same businesses in the new fuel standard?

**Hon. Amarjeet Sohi:** I look forward to meeting with the association tomorrow. We have been working very closely with the petrochemical industry as well. I was back home in Alberta last week announcing \$49 million that is going to generate \$4.5 billion of new investment in Alberta's economy.

It is in the best interest of all that our industry remain competitive.

**Mrs. Shannon Stubbs:** To that end, I hope you will advocate very aggressively that the government know what it's doing before it imposes this policy since the cost-benefit analysis says there are no models to determine emissions reductions credit supply or the economic impacts of the fuel standard.

Mr. Chair, I would like to move a motion:

That, pursuant to Standing Order 108(2), the Committee immediately invite the Minister of Natural Resources to appear before the Committee on Thursday, June 20, 2019, for no less than a full meeting, to advise the Committee of the government's plan to build the Trans Mountain Expansion; and that this meeting be televised.

**The Chair:** I would propose we set aside some time for committee business this Thursday because we have time in our schedule. We can deal with the motion then and that doesn't eat into our time here.

**Mrs. Shannon Stubbs:** Yes, I look forward to that. I'm sure the minister will be more than willing to come to tell Canadians about the start date of construction, the timeline for construction, the in-service date of the Trans Mountain expansion, how much it will cost taxpayers, and also the plans on whether or not the Trans Mountain expansion will be built and then operated in the long term by the private sector.

**The Chair:** Thank you. We'll discuss that on Thursday, then.

**Mrs. Shannon Stubbs:** Great.

**The Chair:** Mr. Graham, the floor is yours to finish it off.

**Mr. David de Burgh Graham (Laurentides—Labelle, Lib.):** I have a couple of quick questions before I get into the forestry industry, which is obviously important to my riding.

This is just a quick question. Eight years ago the Conservatives sold AECL, or a chunk of it, for \$15 million. I'm wondering how we did on our investment. We sold it for \$15 million, but we still have to put quite a lot of money into AECL. Was it a good idea to sell it eight years ago, or sell a chunk of it?

**Hon. Amarjeet Sohi:** I would have to get back to you on that question.

**Mr. David de Burgh Graham:** I think my point is made.

I want to build on Mr. Cannings' question earlier. As you know, forestry is a very important industry in my large rural riding not far from here. I want to thank you first of all for the helpful announcement to Uniboard two weeks ago, which will be an enormous help in greening the factory we have in a very *défavorisée* part of the riding that has a lot of economic issues. It will help save a lot of jobs in this area. It's one of the biggest players I have in my riding.

The forestry industry has faced a lot of challenges in the last few years. In 1987 in my riding we lost the railways. They were ripped out and they were sold for scrap. In 1990 we lost the ability to log drive. Also, we've had a lot of problems with the American trade sanctions on forest products that have caused untold trouble. We have only one road in and out of the riding that can be used for logging, and we have now a worker shortage, which is impacting the ability to keep the businesses running.

What can you tell us about what we can do for the forestry sector, short term and long term, and also in terms of expanding second and third transformation, which we do very little of in my area?

• (1625)

**Hon. Amarjeet Sohi:** Through you, Mr. Chair, I can highlight a number of things. Some are related to my ministry, and some are not.

For example, there is the \$2-billion rural infrastructure fund that allows roads to be constructed in the rural communities, or the \$2-billion trades corridor fund that communities can access. An investment of \$250 million was allocated in budget 2019 to foster more innovation and diversify the sector and help it grow. The forestry sector is a very important sector for Canada, and yes, it is facing challenges as far as relations with the U.S. are concerned. The three trade agreements that our government has signed absolutely open up so much potential for our products to be imported because we have the best product. We have the way we harvest and environmental sustainability in the practices. I think that absolutely those are some of the things we have been doing.

I don't know, DM, if you want to elaborate on some of the other support systems that we have in place in the forestry sector.

**Ms. Christyne Tremblay (Deputy Minister, Department of Natural Resources):** Thank you, Chair. We're recognizing the importance of the forest sector and we're working on many fronts.

[Translation]

**Mr. David de Burgh Graham:** You can answer in French if you want.

**Ms. Christyne Tremblay:** Okay.

We are working on several fronts, the first of which is the competitiveness of the sector. Together with all provinces and territories, we have developed a forest bioeconomy framework, which will allow us to diversify forest products and add to their value. The framework is actually the first item on the agenda for the Canadian Council of Forest Ministers meeting, which starts this evening.

Second, we are making huge investments in innovation. The most recent budget devoted the major sum of \$100 million to the area. The money comes from strategic investment funds for promising projects, such as biofuels and high value-added wood products.

Third, we are making substantial investments in market diversification so that Canadian wood can be used overseas. Major projects are underway in China, including Tianjin, where we are demonstrating ways to include wood in construction and how that contributes to our efforts to fight climate change.

Fourth, as the minister mentioned, the government is providing significant assistance to the softwood lumber industry. His plan was not only to help the workers and the companies targeted by the countervailing duties, but also to encourage market and product diversification. The plan has worked very well. Also today, the minister will chair a working group, made up of all ministers with responsibility for forests, that is monitoring the health of our forestry sector and ensuring that measures are in place to assist local communities, workers and the industry.

**Mr. David de Burgh Graham:** My time is up.

Thank you very much.

[English]

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

Minister, thank you very much. That's all the time we have in the first hour. It goes by very quickly. We're very grateful to you for taking the time and making yourself available to join us today, as always.

We're going to suspend for just two minutes, and then Ms. Tremblay and Ms. Crosby are going to stay, and some other officials will be joining us for the second hour.

Thank you, Minister.

•(1625) \_\_\_\_\_ (Pause) \_\_\_\_\_

•(1630)

**The Chair:** Welcome back, everybody. Thank you for being so good with the time. We are continuing now.

We have six departmental officials with us.

Thank you for staying and being with us here today. We have the deputy minister and five assistant deputy ministers. I would think that would be a pretty hard panel to stump when we're talking about this, not to set the bar too high, of course.

We're going to jump right into questions and having put that out there, Mr. Hehr, it's your job to try to stump them first.

•(1635)

**Hon. Kent Hehr:** Thank you, Mr. Chair. I doubt I will be able to do that.

I know that with increased climate change we're seeing the ravages of flooding and environmental impacts throughout the country. We see an increase in those in ever-increasing numbers. I think it was stated that a rise in contributions from the federal purse is going out to cover these damages each and every day.

In any event, I know that in the estimates NRCan is seeking \$11.1 million to ensure better disaster management preparation, response and improved emergency management in Canada.

Can you describe what these will go towards funding?

[*Translation*]

**Ms. Christyne Tremblay:** Thank you.

I am very pleased that you raised that question, which unfortunately is very much in the news, given the flooding we are seeing in Quebec and Ontario. They cause major costs in economic terms, but also in human terms that must be considered. Often these natural disasters threaten the safety and resilience of people as well as the protection of their possessions. This is important. We have to be very responsible in the way we deal with these disasters.

We are increasingly realizing that we have to build communities that are much more resilient in the face of disasters such as floods or forest fires. In the last budget, the Department of Natural Resources received \$88 million over five years so that we can work with the provinces and territories on measures to increase the resilience of communities. A major part of that funding will go to forest fire prevention.

I am pleased that I have been asked a number of questions on the forests today. In the last year, all provinces and territories have focused on ways to fight forest fires and to ensure that communities are better prepared to face those disasters. A Canada-wide plan on forest fires has just been developed. All provinces and territories support it, but there are also initiatives that have to be considered.

Some people may not be able to hear me. Do you want me to stop, Mr. Chair?

[*English*]

**The Chair:** Yes, for Mr. Cannings.

**Mr. Richard Cannings:** It's okay now.

**The Chair:** All right. All systems are working now.

[*Translation*]

**Ms. Christyne Tremblay:** I am happy to answer your question about natural disasters, Mr. Cannings. My department is actually going to receive \$88 million to ensure that communities are resilient to natural disasters. A large part of that amount will be used in fighting forest fires. As you know, British Columbia saw major forest fires last year. The money will also be used to increase our forecasting and mapping abilities. The goal is for us to be more proactive and better prepared, so that we are able to see the disasters coming.

[*English*]

**Hon. Kent Hehr:** Thank you for that answer.

We heard some questioning by Mr. Schmale around our new incentive program to encourage people to look at electric vehicles. I'm hoping that you can tell me a bit more about that program.

As well, Hannah Wilson from my office stated that about 80% of cars in that marketplace would be available for that price point. Are there cars available at the \$45,000 cap? Would those be available? How does the program work?

•(1640)

[*Translation*]

**Ms. Christyne Tremblay:** Thank you for the question.

Increasing sales of zero-emission vehicles is a major objective for the government. As you mentioned, a new incentive program is designed to encourage consumers to choose those vehicles. Transport Canada, not Natural Resources Canada, is responsible for the program. However, we have to make sure that the cars can be driven and recharged. So we have to make sure that the infrastructures are in place.

We are already working to establish a network of more than 1,000 charging stations across Canada. In some cases, these will be electric charging stations and in others the stations will work on hydrogen or natural gas. In the most recent budget, we received funds to add 20,000 charging stations. This time, they will be installed near where Canadians live. In other words, stations will be in their homes, and near where they work and play, even in the parking lots they use. For us, therefore, this is a major investment.

In addition, we are continuing to work very hard for the stations to be more effective. If I may, I will give the floor to Frank Des Rosiers, our assistant deputy minister responsible for everything related to clean technologies in our department. He works specifically with certain technologies in order to ensure that Canadians who own vehicles of that kind are able to drive them.

**Mr. Frank Des Rosiers (Assistant Deputy Minister, Innovation and Energy Technology Sector, Department of Natural Resources):** Exactly.

Thank you, Mr. Chair.

[English]

Perhaps to add to the deputy's remark, this is actually one of those areas that is important for Canada. We've seen all those cars on the road. They account for roughly a quarter of our GHG emissions in the country. Making a dent in this actually matters a great deal.

We have not only an opportunity to deploy existing technology, but also to develop new ones. We have a number of innovators in the country. I'm thinking about AddÉnergie, for instance, based in Shawinigan, Quebec. They are in the process of developing, thanks to our support and the support of the provincial government as well, new infrastructure, for instance, to have a solution for those residing in condos and multi-residential units. Right now there aren't a lot of solutions being offered in the marketplace, and we're looking for those kinds of solutions.

Another angle that we've been exploring is what the impact is of having thousands, tens of thousands, hundreds of thousands of vehicles on the grid. Picture if you are running a utility and a sizable electrical grid, and you suddenly have this large amount of demand out there. How do you manage this? What's the cybersecurity consideration around having such a large amount of new demand in the marketplace?

These are the kinds of solutions and issues we've been striving to resolve.

**The Chair:** Thank you.

Mr. Falk.

**Mr. Ted Falk (Provencher, CPC):** Thank you, Mr. Chair, and thank you to department officials for attending.

I have a whole bunch of questions. I'll try to fire through them and we'll see how it goes. I don't care who answers.

We've bought a pipeline. Have we paid for it? That is the question. Have we paid for the pipeline?

**Ms. Christyne Tremblay:** Mr. Labonté will answer.

**Mr. Jeff Labonté (Assistant Deputy Minister, Major Projects Management Office, Department of Natural Resources):** Have we paid for the pipeline, meaning has the transaction been closed?

**Mr. Ted Falk:** Correct.

**Mr. Jeff Labonté:** I believe the transaction has been closed, but I think the Minister of Finance is responsible for the execution through CDIC, the Crown agency that's responsible for delivering and operating the pipeline.

**Mr. Ted Falk:** Okay.

Would the Crown agency also incur all the costs associated with it now in order to proceed towards the expansion, or would that be a departmental cost?

**Mr. Jeff Labonté:** The Crown agency is run through its own separate board of directors, but I'm getting to the margins of my knowledge base here, given that it's the Minister of Finance's officials and whatnot. It's run through, as I understand it, a separate board of directors. It has its own, if you will, financial regime under which it operates.

Of course at this point there's no certificate for an expansion to occur, so it's operating the pipeline that exists today and waiting for the decision that will come—should it come—related to the project decision on the expansion part.

• (1645)

**Mr. Ted Falk:** Okay. Very good.

The carbon tax was implemented in my province recently. I saw just over a 4.5¢ per litre increase on the price of gas, and just over 5¢ per litre on the price of diesel fuel. Do you have projected revenues on what that will bring in?

[Translation]

**Ms. Christyne Tremblay:** That is a question for Environment and Climate Change Canada.

[English]

**Mr. Ted Falk:** So your department hasn't been tasked at all with calculating the amount of fuel that's going to be burned. You have not been involved in that at all.

[Translation]

**Ms. Christyne Tremblay:** There has certainly been collaboration between the departments, but the question should go to another department.

[English]

**The Chair:** There's your answer.

**Mr. Ted Falk:** Okay. Can you give me the volumes, then, of fuel that you expect to be taxed with this carbon tax, either gasoline or diesel? Have you done that calculation?

[Translation]

**Ms. Christyne Tremblay:** As I have already said, the question should be addressed to Environment and Climate Change Canada, which is responsible for the carbon tax, or to the Department of Finance Canada, which is responsible for calculating the revenue from that tax.

[English]

**Mr. Ted Falk:** Mr. Chair, I'm not looking anymore for the dollar amounts; I can do the math myself. I'm looking for volume. That, I think, would be something that would fall under this department's jurisdiction.

**The Chair:** I understood the question, and I think they did too, but the answer's the answer, Mr. Falk.

**Mr. Ted Falk:** Okay.

Getting back to my colleague's question on the Canadian fuel standard, have there been any calculations done by the department on the effect of that?

[Translation]

**Ms. Christyne Tremblay:** Thank you, Mr. Chair.

The Department of Natural Resources is collaborating with the industry on the work being done on the clean fuel standard. A consultation is under way. Our department is working with various companies, the industry, as well as Environment and Climate Change Canada to analyze the effects of the scenarios that come up and that are of concern to the industry and to companies on an individual basis. When the regulations are published, the stakeholders will provide cost estimates, as always.

[English]

**Mr. Ted Falk:** On the large emitters of carbon that are being exempted with the 95% rule, you've obviously done some calculations. Can you tell me how many tonnes of emissions have been exempted?

[Translation]

**Ms. Christyne Tremblay:** The same answer goes for that question as well.

[English]

**Mr. Ted Falk:** Okay, I'll go to something easy here.

Let's talk about the spruce budworm. What are the objectives and expected results of phase one of the spruce budworm early intervention strategy?

[Translation]

**Ms. Christyne Tremblay:** I am very pleased that that question has been asked, Mr. Chair. With your permission, I will yield the floor to Beth MacNeil, our assistant deputy minister for the Canadian Forest Service.

[English]

**Ms. Beth MacNeil (Assistant Deputy Minister, Canadian Forest Service, Department of Natural Resources):** I'm not sure whether the question was about phase one or phase two, because the early intervention strategy is actually phase two. Could I get some clarity on that?

**Mr. Ted Falk:** Yes, sorry, I meant phase two.

**Ms. Beth MacNeil:** The Government of Canada allocated approximately \$74.5 million for phase two. We are just beginning year two.

I'm very happy to report that early signs show that this is very successful. Many of the resources are going to spraying operations to attack hot spots as well as to monitoring. Since 2014 we've seen a reduction of 90% of the spruce budworm populations in New Brunswick. We believe if we're successful there, it will not spread into Nova Scotia, P.E.I. or Newfoundland and Labrador.

• (1650)

**The Chair:** You have 20 seconds.

**Mr. Ted Falk:** Yes, I have questions; I just might get an answer sometime.

**The Chair:** Okay, that will take us to Mr. Cannings.

**Mr. Richard Cannings:** Thank you, Chair, and thank you to all of you for being here.

I'm going to start with a question that I meant to ask the minister, but I ran out of time because I rambled on too much, I guess.

A few weeks ago, I was here in this room, or a room very like it, listening to the commissioner on the environment and sustainability give her final report of her tenure here. In that report she said, "For decades, successive federal governments have failed to reach their targets for reducing greenhouse gas emissions, and the government is not ready to adapt to a changing climate. This must change."

Part of the report that she was presenting at that meeting was about fossil fuel subsidies. I don't have the quote right in front of me, but one of the breakout headlines of that report was to the effect that this government, after four years, couldn't even define what an inefficient fossil fuel subsidy was, yet it went on in the next breath to say that we don't have any.

I remember being in Argentina with the former minister when the big topic at the G20 meeting was about whether this government would commit to removing all subsidies for fossil fuels and instead put in significant incentives for renewable energy.

I'm just wondering if Mr. Khosla or somebody could...

[Translation]

**Ms. Christyne Tremblay:** Thank you, Mr. Chair.

[English]

A clean environment and a strong economy go hand in hand. There is a lot of work that is being done on inefficient fossil fuel subsidies, and I think it's very key to understand and highlight inefficient fossil fuel subsidies. We believe that what we're doing in Canada doesn't fall under this, but we agreed to conduct a peer review with Argentina. The Minister of Finance is responsible for that.

Recently, the Minister of Environment and Climate Change launched a consultation. She appointed a commissioner who is going to consult Canadians about fossil fuel subsidies. There are some definitions that exist that can be used and are referred to in the discussion paper that's being published at the same time as we launch this consultation.

If you want to speak more about this definition, I would turn to Mr. Des Rosiers, who is in charge of this file.

**Mr. Frank Des Rosiers:** Maybe I'll just add that the purpose of that consultation is precisely to see the views of Canadians and parliamentarians, should they have views in terms of what should be involved or not. There are lots of definitions out there.

In Europe, they have adopted some model within the European Commission. The commissioner actually referenced the multiplicity of definitions present and captured it in that consultation paper, which is fairly thorough.

The government wants to have that open dialogue with Canadians to seek their views on it.

Michael Horgan, former deputy minister of finance is involved in this consultation. He's a very respected senior official. Their work has just been kicked off recently. We look forward to hearing Canadians' views.

**Mr. Richard Cannings:** Moving on then, there was a brief discussion of electric vehicles. Mr. Schmale tried to make the point about how expensive they are for the average Canadian. From the studies I've seen, if you take into account the very little money you spend maintaining them and fuelling them, it works out to be about the same.

My first question is, because I have the figure of \$10 million written down here and I fear it might be low, how much money is in the budget for building charging infrastructure across the country? Is it \$10 million or \$100 million?

• (1655)

**Ms. Cheri Crosby:** According to the budget 2019 announcement, there was an additional \$435 million, of which \$130 million comes to NRCan over five years, with \$10 million this year.

Our package in terms of building the infrastructure will be closer to \$130 million over the five years, but in the main estimates this year, it will show up as \$10 million.

**Mr. Richard Cannings:** Getting back to my point, we have to be bold with this. By my calculations, \$10 million will build about 100 charging stations if they're the fast-charging stations that people would want. We're already getting reports in cities like Vancouver of people waiting a long time because there are.... If you can imagine, 100 gas pumps across Canada wouldn't fuel too many cars.

I would urge the government to put more effort into that department. That said, I'm glad there are charging stations out there now. If I did buy an electric car now, I think I could get around my riding with that.

Coming back to the retrofits, I wanted to try to get some more clarity on that about this new program. FCM, Federation of Canadian Municipalities, has now been given \$300 million for home retrofits for private homes.

How can Canadians get involved in that? Do they have to contact FCM? Do their own municipalities have to get involved? If they're not in a municipality, how can they access that? Is it this year, or is it last year?

[Translation]

**Ms. Christyne Tremblay:** If I may, Mr. Chair, I will give a partial answer before I hand over to Mr. Khosla.

Your first concern is correct, Mr. Cannings. The Federation of Canadian Municipalities, or FCM, is a national voice and has been our partner since 1901. So we are used to working with that partner. It is established in large cities, but also in small municipalities and rural communities. We are going to be working with 19 provincial and territorial associations responsible for reaching out not only to the major centres, but also to small towns and rural municipalities.

The envelope even includes an amount for community action and for work with not-for-profit organizations in small communities so that investments can be made in public buildings. The FCM and its

affiliates therefore allow us to ensure that the program will not simply be deployed only in major urban centres.

I will now give Mr. Khosla the floor so that he can explain the program itself.

[English]

**The Chair:** Very, very quickly.

**Mr. Jay Khosla (Assistant Deputy Minister, Energy Sector, Department of Natural Resources):** Okay.

I don't have a whole lot more to add, but to come to the question of retrofits and whether there are residential retrofits contained within...first of all, there's \$1 billion that's going to the FCM.

**Mr. Richard Cannings:** Oh, I know. There's \$300 million for residential retrofits.

**Mr. Jay Khosla:** I would say it's closer to \$600 million.

We can come back on the figure, but there is retrofit money in there and it's going directly to housing.

**Mr. Richard Cannings:** I'm more concerned with how that rolls out to people who don't live in Montreal or Vancouver.

**Mr. Jay Khosla:** I understand—

**The Chair:** I'm going to have to interrupt.

I gave you some of that three minutes you got last time but didn't think you did.

Mr. Graham, it's over to you.

**Mr. David de Burgh Graham:** If you'd cut me off with three minutes left to hand it over to Mr. Whalen, I'd appreciate it.

**The Chair:** Okay, no problem.

[Translation]

**Mr. David de Burgh Graham:** I have a question for you, Ms. Tremblay.

Vote 35 is to “support a new critical cyber systems framework to protect Canada's critical infrastructure against cyber threats, including in the finance, telecommunications, energy and transport sectors”. Could you tell us a little more about what you are doing? What is Natural Resources Canada's cyber security plan?

I will let you choose who will answer.

• (1700)

**Ms. Christyne Tremblay:** Your question is about cyber security, correct?

**Mr. David de Burgh Graham:** Yes. A little more than \$800,000 is identified for that and I would like to know what the plans are.

**Ms. Christyne Tremblay:** You ask an excellent question.

Cyber security is more and more of a concern. Being responsible for a country's energy infrastructure means that it is very important to be on the cutting-edge of cyber security. This is a major concern in our relations, not only with the United States, because a huge amount of infrastructure crosses our border, but also with our partner in Mexico.

We are working with our partners in the private sector, meaning the major public utilities, electricity associations, and oil and gas companies, because pipelines are now the target of attacks. We were recently in discussion with mining sector representatives, who told us that their strategic data had been attacked. Such attacks may well become more common as our economy becomes more and more digitally based.

Canada has minerals, rare ores and metals like lithium that generate a lot of interest. So this is a natural resources sector that we have to protect.

**Mr. David de Burgh Graham:** I do not have a lot of time left.

Can I ask you which form this is taking? Are we talking about developers or our own cyber security experts? Are we subsidizing companies that want to work on cyber security?

**Ms. Christyne Tremblay:** I will start before I give the floor to my colleague, Mr. Khosla.

These are principally investments in critical infrastructures in order to strengthen their resilience. We are also working with our partners, industry and associations, to ensure that we can respond to this concern. Finally, specific amounts are set aside for our work with our American partner.

**Mr. Jay Khosla:** I would just like to add that the government wishes to introduce a bill to oversee, and tighten its collaboration with, the industry.

[English]

**Mr. David de Burgh Graham:** Is there time left for Mr. Whalen?

**The Chair:** You have 30 seconds left until the three-minute mark.

**Mr. David de Burgh Graham:** I'll take it back later.

**The Chair:** All right.

Mr. Whalen, are you going to use the rest of the time?

**Mr. Nick Whalen:** Yes. Thank you very much, Mr. Chair.

On the notion of spending \$130 million on charging stations over five years, I was at a local hockey rink on the weekend in Paradise, in part of my riding of St. John's East in Newfoundland. It's a neighbouring community. They had a couple of charging stations out front that are fairly new, but they're already deteriorating from weather and salt in the parking lots.

When I was knocking on doors on the weekend, I met a constituent who was concerned. He wanted to buy an electric vehicle, but they live in a multi-unit dwelling and his parking spot is in a parking lot next to the building. He's concerned that even if he spends the money to have his own charging station installed next to his spot, the plow would knock it or it would get damaged.

What type of money within this envelope is there for operation, maintenance and repair of these assets? Who owns the assets? Is

there going to be any sort of comparative analysis done across multiple vendors of these? Are you going to sole-source to a single vendor, or are you going to take this opportunity to do a consumer advocacy piece where you could test and measure hundreds of different suppliers against each other to see whose units last longer and whose are more resilient? What type of work is this and how does this relate to other departments in terms of national building code development around the residential installation of these units?

[Translation]

**Ms. Christyne Tremblay:** Thank you, Mr. Chair.

That is an excellent question.

An amount of \$76 million over six years has been devoted to demonstration projects of the next-generation recharging stations, to make sure that they are resilient and stand up to our Canadian climate.

Mr. Des Rosiers can tell you more about some of those projects.

●(1705)

**Mr. Frank Des Rosiers:** I mentioned some of the technologies that have been developed.

[English]

You're referring to some of the multi-residential units. This was actually one of the market-based focus areas that we heard about. There was not actually a solution that was robust enough to meet our needs.

You mentioned the issues around weather, but there are also challenges around high voltage. As you know, the tendency among users and manufacturers is to go with fast-charging units, which can have an impact in terms of not only the battery system but also the electrical systems, affecting both homes and commercial entities or larger operators. This was also a clear area of focus.

In terms of the details of the implementation of the program, which is the second element of your question, I don't know if the deputy or Jay may wish to elaborate on that.

**Mr. Jay Khosla:** Yes, I'm happy to. That is a great question.

As you know, we have already had previous experience with this. In 2016-17, we received about \$180 million to administer the first stage. We're into the second stage now. Through that, we've actually deployed 532 fast chargers around the country. We have about 1,000 that need to go to that, and then the second stage, as the deputy mentioned, is more residential, municipal and local.

As a result of that, we know what's out there in terms of technology. We know the kinds of firms that are out there. It's a competitive process that we enter into to do all of this. We will continue to do that, but we've gained a very good understanding of what some of the best firms are within the industry and continue to pursue that.

I would say that's pretty good for the Government of Canada to roll out with that many charging stations so quickly. I'm sorry to toot our own horn, but I'm really proud of the fact that we're moving so quickly in this space.

**Mr. Nick Whalen:** Who maintains these systems now that they're deployed? How much of this money is directed to O and M? Are consumers going to be given this information? You've done all this research. It would be great if it were made available to the purchasing public.

**Mr. Jay Khosla:** Very rapidly, it is a private sector exercise. We do go to the best firms that we possibly can, but it's a competitive thing. It's not up to the government to maintain. We're working with the private sector on that. I think that makes sense.

Yes, we can make the information available. We do have good websites that are up and running, and people can access some of our information. I'm happy to provide other information to the committee as they need it.

Thank you, Chair.

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

Ms. Stubbs.

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

Thanks to all the officials for being available for us today.

I have a question about the transition as a result of Bill C-69.

The 2019-20 estimates show an allocation of \$3.7 million under vote 5 for the purpose of disbanding Canada's world-leading and historically renowned National Energy Board and replacing it with the new Canadian energy regulator. Since the allotment for that transition is already here even before the bill has become law, I'm hoping that, if possible, you can tell us exactly how long it will take to completely establish the proposed Canadian energy regulator and what year that will be complete, given, of course, the certainty that will be required for investors or proponents of major resource projects. What is the timeline of that transition?

**Ms. Christyne Tremblay:** Mr. Chair, it's a good question, and, as I already mentioned in front of the Senate committee, I believe the implementation will be very crucial if we want to meet the expectations of the industry, so we are already preparing for the transition. It's difficult to have a specific game plan since the bill is not passed yet and is still under discussion, but I can assure you that the agency, the NEB, and all the departments are preparing for the transition. In our case, we received some money to develop a platform and offered to share the science for the impact assessment. There is an emerging concern above all about the cumulative effects, and we are in charge of developing the platform that's going to address this.

**Mrs. Shannon Stubbs:** Okay. That's interesting. Canada, of course, for decades has been noted as a world leader in terms of measuring the cumulative effects of responsible ownership. That's good.

• (1710)

**Ms. Christyne Tremblay:** Thank you.

**Mrs. Shannon Stubbs:** If in the coming days or weeks you do end up having any details regarding my specific question, it would be great if you could provide those to all of us.

The 2018 fall fiscal update said the now taxpayer-owned Trans Mountain expansion is on track to earn \$200 million annually, but

internal documents, as you probably know, indicate that annual interest payments for the \$1-billion loans the government took out to pay for it could be costing \$255 million per year. That's a \$55-million difference. I wonder if you're able to confirm the size of the loans the Government of Canada is liable for related to the Trans Mountain expansion and what the monthly cost to carry those loans is.

**Ms. Christyne Tremblay:** Mr. Chair, it's the finance department that is in charge of this.

**Mrs. Shannon Stubbs:** Okay.

As you know, on February 22, 2019, the National Energy Board recommended again the approval of the Trans Mountain expansion in the national interest of Canada. The supplementary estimates (B) for 2018-19 show \$6 million allocated for the NEB's 22-week reconsideration. Of course, an option for the government at that time, which Conservatives suggested, was emergency retroactive legislation to affirm that the Transport Canada assessment of tanker traffic as a result of the Trans Mountain expansion was sufficient, and the government could have done that, which did feed into the original recommendation by the NEB of approval of the Trans Mountain expansion. Of course, in the 22-week-long redundant duplicative reconsideration of the NEB, they had to appoint two experts from Transport Canada to do that part since Transport Canada is the jurisdiction responsible for that area. Of course, exactly the same information was reviewed; exactly the same mitigation measures were reviewed, and exactly the same recommendation for approval was made from the NEB reconsideration.

Can you tell me if there ever was a cost-benefit analysis done internally to determine the best option for Canadians between emergency retroactive legislation to affirm Transport Canada's original analysis and this 22-week-long NEB reconsideration?

**Ms. Christyne Tremblay:** Mr. Chair, the government made a decision to follow the advice of the Federal Court of Appeal and to ask the NEB to do the review of the marine and to redo the phase three consultations.

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

**Mrs. Shannon Stubbs:** Okay, if you find out if there was a cost assessment, that would be great, too.

**The Chair:** Mr. Tan, you're last up.

**Mr. Geng Tan (Don Valley North, Lib.):** Thank you. It's five minutes, right?

**The Chair:** Yes.

**Mr. Geng Tan:** I have only one question, so if there is time left, I am willing to share with my colleagues.

**Mr. Jamie Schmale:** I'm right over here.

**Mr. Geng Tan:** In the main estimates there is funding to AECL to be used as support to nuclear R and D and waste management in Canada.

Having worked in nuclear myself for almost 10 years, I have deep respect for Canada's nuclear talents and our nuclear legacy. Our CANDU R and D has been at the leading edge, for sure, of the peaceful application of nuclear technology in the world. We have nuclear reactors generating electricity to meet the needs of Canadians in Ontario, in New Brunswick and formerly in Quebec.

Right now, the reactor in Quebec has been closed, and the Pickering station will be decommissioned quickly. The chance that they'll have a new build with the CANDU design in the foreseeable future is very low, if I am correct. There is a strong probability that our Canadian nuclear capacity in the future will be significantly impacted.

I use one example. The United Kingdom's experience shows how, in a very similar situation, it lost its ability to design and supply reactors and is now dependent only on importing the design and the equipment.

I wonder what your vision is for the future of nuclear research and the nuclear industry in Canada. Do you see it moving in a positive direction or not?

Thank you.

• (1715)

**Ms. Christyne Tremblay:** Mr. Chairman, I am very pleased that the member is raising a question on this sector.

For sure, now the nuclear sector is part of the energy mix of this country. He raised that we have expertise. We have a lot of energy coming from that source. The government is investing this year in AECL. Just in this budget it's \$1.2 billion.

As a country and as a department, we have a full unit working on that sector in particular. We did a lot of work in the last year on new technology, for example, SMRs that can be used for remote communities, where Canada can have a leading edge, a competitive advantage.

Perhaps I can pass to my colleague, Mr. Khosla, who is in charge of this sector, who can give you some of the progress we've made and maybe address your question about decommissioning and waste management.

**Mr. Jay Khosla:** Yes, there are a lot of questions embedded within that primary question of whether there is a future for nuclear.

I could spend a bit of time, but we're very cognizant, as the deputy said, of the fact that Canada is a tier one nuclear nation, and that is really important for the country of Canada.

We're also mindful of the CANDU technology that we have developed here, homegrown, just as we are with every other form of energy that we've developed here. We have been working very hard around the world internationally with the vendors to try to find whether there is uptake in various other countries.

We know that China is growing massively in this area, as is India. We continue to do that. We partner with some other countries, for example, to try to find other markets in Argentina and so on and so forth.

That is a quick answer on CANDU.

The \$1.2 billion in the labs is exactly right. That is a huge investment for this government to make sure that the R and D is protected, that the IP is protected and that we're moving forward. I can say lots more on that. I won't at this moment, recognizing the time.

I would say that in terms of SMRs, if you want to talk about the future, really we're seeing a lot of activity in this space right now, and it is in some ways not surprising but in many ways refreshing to see that the world is coming to Canada for a potential play on SMRs, small modular reactors.

That primarily could help the north, we think. We're looking at that. We did a road map, a year-long exercise. We consulted Canadians, and in that road map we found that Canada is one of the best places to do it. We have one project before the regulator, the CNSC, that is going through right now. We have nine proposals.

New York came calling the other day. We went to New York to talk to Bloomberg because they're interested in investing, so I would encourage this committee to continue to look at that element.

The last thing I would say—and there is lots more, as I said—is let's not forget that we have uranium supplies here, too. When it comes to a one-stop shop for nuclear, we have some good things to say, but waste and cost are big issues and we have to get our heads around them in this country, and so does the world. We're working hard toward that end as well.

I hope that's a helpful answer.

**The Chair:** It's a good thing you didn't have two questions. That's all your time.

He is out of time. I don't like to be difficult, but I think we need to move on. I think that's all the time we have for witnesses.

We do have some voting to do on the estimates, which will take anywhere from two to 10 minutes depending on the level and spirit of co-operation around the table. I wasn't looking in any particular direction when I said that, Mr. Schmale, just so we're clear.

Thank you very much for taking the time to be here today and answering all our questions. Nobody stumped you on areas of expertise.

We'll suspend briefly.

• (1715)

(Pause)

• (1720)

**The Chair:** We are back on the record.

For the record, Mr. Schmale was sitting in his seat first, to my left. To my right, nobody left their seat.

We now have to vote on the estimates. We have two choices. We can vote on them collectively if we get unanimous consent, or we can vote on them individually if we don't.

Now I am looking to my left, Mr. Schmale.

**Mr. Ted Falk:** It's on division for everything.

**The Chair:** Okay. I anticipated that.

ATOMIC ENERGY OF CANADA LIMITED

Vote 1—Payments to the corporation for operating and capital expenditures.....  
\$1,197,282,026

(Vote 1 agreed to on division)

CANADIAN NUCLEAR SAFETY COMMISSION

Vote 1—Program expenditures.....\$39,136,248

(Vote 1 agreed to on division)

DEPARTMENT OF NATURAL RESOURCES

Vote 1—Operating expenditures.....\$563,825,825

Vote 5—Capital expenditures.....\$13,996,000

Vote 10—Grants and contributions.....\$471,008,564

Vote 15—Encouraging Canadians to Use Zero Emission Vehicles.....  
\$10,034,967

Vote 20—Engaging Indigenous Communities in Major Resource Projects.....  
\$12,801,946

Vote 25—Ensuring Better Disaster Management Preparation and Response.....  
\$11,090,650

Vote 30—Improving Canadian Energy Information.....\$1,674,737

Vote 35—Protecting Canada's Critical Infrastructure from Cyber Threats.....  
\$808,900

Vote 40—Strong Arctic and Northern Communities.....\$6,225,524

(Votes 1, 5, 10, 15, 20, 25, 30, 35 and 40 agreed to on division)

NATIONAL ENERGY BOARD

Vote 1—Program expenditures.....\$82,536,499

Vote 5—Canadian Energy Regulator Transition Costs.....\$3,670,000

(Votes 1 and 5 agreed to on division)

NORTHERN PIPELINE AGENCY

Vote 1—Program expenditures.....\$1,055,000

(Vote 1 agreed to on division)

**The Chair:** Shall I report vote 1 under Atomic Energy of Canada Limited, vote 1 under Canadian Nuclear Safety Commission, votes 1, 5, 10, 15, 20, 25, 30, 35 and 40 under Natural Resources, votes 1

and 5 under National Energy Board and vote 1 under Northern Pipeline Agency to the House?

**Some hon. members:** Agreed.

**The Chair:** That is all of our business for today.

Thursday we have the delegation of German parliamentarians coming in. We have no formal meeting, but we're meeting with them in conjunction with the trade committee. I understand that most of you have already agreed to attend. Let's hope everybody can make it. We don't have the room assignment yet.

**The Clerk of the Committee (Ms. Jubilee Jackson):** It's room 025B, next door.

**The Chair:** Room 025B, next door, at 3:30 p.m. on Thursday.

Mr. Whalen has a question.

**Mr. Nick Whalen:** Ms. Stubbs raised an issue about scheduling the June 20 meeting to receive...

We might be able to deal with that right now.

**The Chair:** I was going to suggest we deal with it on Tuesday, actually. Tuesday is the last scheduled day for this current study. I think it's only for an hour. We could deal with it then.

**Mrs. Shannon Stubbs:** Yes, I like Tuesday better.

**The Chair:** Tuesday is better. That gets us out of here.

**Mrs. Shannon Stubbs:** It gives them more time to know what's happening.

**The Chair:** It gives people some time to think about it, and it gets us out of here right now, too.

On that note, thank you everybody.

The meeting is adjourned.







Published under the authority of the Speaker of  
the House of Commons

---

### SPEAKER'S PERMISSION

---

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the House of Commons website at the following address: <http://www.ourcommons.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

---

### PERMISSION DU PRÉSIDENT

---

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante : <http://www.noscommunes.ca>