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# Standing Committee on Natural Resources

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Chair: Mr. James Maloney





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• (1310)

[*English*]

**The Chair (Mr. James Maloney (Etobicoke—Lakeshore, Lib.)):** I call this meeting to order.

Welcome to meeting number 28 of the House of Commons Standing Committee on Natural Resources.

We are here today pursuant to two motions to address the main estimates and the supplementary estimates (A).

I want to thank all our departmental staff, deputy minister and the five assistant deputy ministers for joining us yet again. The frequency of your appearances here is greater and greater as time passes, and we are very grateful for that. You provide great assistance to us.

As well, the minister is here until 2:30 p.m. today, and I want to thank him for making himself available. The supplementary estimates (A) were tabled yesterday, which enables us to deal with both today, so onward we move.

I don't need to go through all of the rules, because everybody here knows them as well or better than I do, so let's just jump right in.

Minister, thank you again, and I will turn the floor over to you, sir.

[*Translation*]

**Hon. Seamus O'Regan (Minister of Natural Resources):** Thank you, Mr. Chair.

I'm pleased to join you from the island of Newfoundland—the ancestral homeland of the Mi'gmaq and Beothuk peoples.

[*English*]

It is also one of Canada's proud oil-producing provinces.

It's great to be back in front of this committee. I mean that, because I always enjoy my appearances here as part of the estimates cycle, and I recently appeared on Bill S-3, which we unanimously adopted at third reading yesterday in the House.

Since my last appearance on the main estimates and the supplementary estimates (C), the recovery has come along and regions are reopening. The natural resources sector is leading the recovery. Over half of Canadians have received their first dose of the COVID-19 vaccine.

I want to start my remarks talking about some of the significant developments in recent weeks, and even recent days, in energy. We are at a particular moment in time, I think a defining moment, one at which globally an increasing number of jurisdictions, countries and companies are charting their pathways to net zero.

The International Energy Agency recently issued a report called “Net Zero by 2050: A Roadmap for the Global Energy Sector”, which I'm sure we will talk more about today. It is something Canada called on the IEA to do, and it is the first analysis that is compliant with limiting a rise in global temperature to 1.5°C. We asked it to conduct the report because we wanted to have a view, a highly technical view, of what the world needs to know and what the world would look like in order to get to net zero.

[*Translation*]

The climate and environment ministers of the G7, shortly after, met and agreed jointly to keep a limit of 1.5 degrees Celsius within reach by aiming to achieve net-zero emissions as soon as possible, by 2050 at the latest.

[*English*]

In my province of Newfoundland and Labrador, Dame Moya Greene issued a report on the future of this province, and it was an unflinching look at a dire financial situation. There is no sense in beating around the bush on that. There is a lot of hard work ahead of us and a lot of tough decisions, and a lot of that conversation is around energy.

On Wednesday of this week, there were three events, the reverberations of which are still being felt. People in the industry are still reeling about these. There was a landmark decision by a court in the Netherlands ordering Royal Dutch Shell to cut emissions by 45% by 2030. Shareholders of another major oil company, Chevron, backed a proposal by a convincing majority of 61% to cut its Scope 3 emissions, the emissions generated by customers' use of the products it sells. As well, ExxonMobil shareholders voted to install two new independent directors in what the Financial Times, economists and everybody are calling a clear rebuke of the company's efforts, or lack thereof, to meaningfully address climate change to date.

What all of these events demonstrate is that the world is calling for increased climate ambition. The market is demanding it. Investors are demanding it.

[Translation]

I've said it before and I'll say it again: the market demands that businesses fight climate change.

[English]

Governments are taking action. Last month, at the global leadership summit, countries announced historic new climate ambitions. Forty countries—Canada among them—accounting for half of the world's economy, committed to act. We committed to lower emissions. Companies are taking action, some too slowly but some very decisively. On Wednesday, Suncor committed to net zero by 2050, actually increasing their ambition—real Canadian leadership. That's to match the mark set by Cenovus Energy earlier last year.

Yesterday, Canada's oldest oil and gas trade association announced a new name and a new brand and mandate. After 72 years, the Canadian Association of Oilwell Drilling Contractors is now the Canadian Association of Energy Contractors, which just broadens their horizons, I think. It increases their ambition in looking at hydrogen, geothermal and CCUS. That is Canadian leadership right there. That is meeting the moment.

That's basically it. We can duck and run for cover, as some would have us do, stick our heads in the sand, avoid those tough conversations and ultimately leave Canadian workers and our proud industry behind, or we can lead by facing these challenges head-on with conviction and tenacity, leveraging that innate Canadian capacity, the capacity of our workers to use their ingenuity, their expertise, and their experience to meet Canada's challenges head-on. I choose the latter, as I have said before in this committee.

We have to define the moment we find ourselves in. We have to meet the challenges that this moment presents. Canadians, I think for the most part, understand that we need to choose the latter. Workers, I think, are choosing the latter.

[Translation]

This committee chooses the latter. You are studying the opportunities provided by the renewable and low-emission fuels industry. You have also studied opportunities in the critical minerals industry, in which Canada has a clear and distinct advantage. We have the opportunity to be a world leader.

[English]

You've studied the opportunities in forestry. On that point, I'd like to thank the committee for your good work on your recent report, "Economic Recovery in Canada's Forestry Sector: Green and Inclusive". We are analyzing the recommendations and are working on a forthcoming response to it.

[Translation]

Budget 2021 chooses the latter. Four major investments put Natural Resources Canada at the centre of our green recovery.

\$319 million over seven years to encourage an expansion of carbon capture, utilization and storage technologies.

\$36.8 million over three years to advance critical battery mineral processing and refining expertise.

\$9.6 million, also over three years, to create a critical battery minerals centre of excellence.

And finally, \$1.5 billion over five years for the clean fuels fund to position Canada as a global leader in areas like hydrogen and biomass.

• (1315)

[English]

Mr. Chair, budget 2021 continues to build on the progress of our government over the past few years and the priorities that we're working on at Natural Resources Canada in the 2021-22 main estimates and the supplementary estimates (A), priorities that underpin our support for workers and our drive to lower emissions, and the steps on Canada's pathway to net zero, such as the \$570 million in the main estimates for the emissions reduction fund. It is a fund that is working. There has been high uptake across streams.

We recently announced the first set of projects: 40 projects across Manitoba, Saskatchewan, Alberta and British Columbia, and 16 projects in my province, in the Newfoundland offshore. These are real projects that are creating real jobs for workers, and they're under way right now to lower emissions.

The mains also include \$84 million for last year and \$309 million this fiscal year for greener homes. Yesterday we launched the Canada greener homes grant, so that Canadians can lower their energy bills and lower emissions. It's a program that drives economic activity. It creates jobs for energy advisers and local trades and for manufacturers of energy-efficient products such as windows, doors and solar panels.

The mains also provide \$174.5 million in 2021-22 to support forestry diversifying and innovating, especially in the emerging bioeconomy, something which, again, I commend this committee for studying. There is funding for programs like the investments in forest industry transformation program and the forest innovation program, programs that this committee has heard at length about in terms of the positive impact across the country, programs that sustain jobs and increase the sector's competitiveness.

The supplementary estimates (A) further support forestry. There is a down payment there of \$71.4 million for our two billion trees program to increase forest cover—an area 10 times the size of P.E.I. Trees are being planted this spring. I look forward to sharing more about this very soon.

The last program I'll highlight is on creating green jobs for Canada's youth. Supplementary estimates (A) include \$43.9 million for our science and technology internship program, creating 1,500 green jobs for youth with a focus on indigenous and northern youth, jobs such as designing and implementing new wind energy systems, so that youth can lead and be a part of the net-zero solutions we need to build our low-emissions energy future.

Those are just some of the priorities we're working on. I don't have enough time in my opening remarks to speak to all of them.

As Minister of Natural Resources, I would say that every day I am constantly impressed by the drive of the officials and the staff at Natural Resources Canada. They are meeting the moment, I believe. They are ready to tackle the challenge. Some of them, as you know, are here alongside me today, as they always are.

[*Translation*]

There are challenges that we continue to face, such as those related to Line 5 and softwood lumber. We remain steadfast in our resolve to defend Canadian interests against these challenges.

But to leave off where I began—the moment we find ourselves in is a moment of opportunity for our country and for the workers who built this country.

[*English*]

No other democracy in the world has the natural resources that we do. We are the fourth-largest producer of oil and gas in the world, with the third-largest reserves. We are third in the world in hydroelectricity. We are one of only five tier-one nations for nuclear energy. We are a pacesetter in clean hydrogen and fuel-cell technologies. We are a supplier of choice for the minerals critical to powering a clean energy future. We are a top-ranked country for clean technology, including smart grids, storage technology and carbon capture.

We became all of those things not by sheer happenstance or coincidence. We became what we are because of the workers at the heart of these industries. These are proud, pragmatic, practical people who work in natural resources sectors right across the country. They don't avoid tough conversations or the challenges. They confront them head-on. They are leading, as are we. We have a common mission: net-zero emissions by 2050, a prosperous economy that continues to create jobs and a low-carbon future that leaves no one behind.

I am joined today by my officials: Jean-François Tremblay, deputy minister; Shirley Carruthers, assistant deputy minister, corporate management and services sector and our chief financial officer; Glenn Hargrove, assistant deputy minister, major projects management office and strategic petroleum policy and investment office; Mollie Johnson, assistant deputy minister, low carbon energy sector; Jeff Labonté, assistant deputy minister, lands and minerals sector; and Beth MacNeil, assistant deputy minister, Canadian Forest Service.

One last word: I am proud to have appeared before this committee three times over the past four months. I am proud of the constructive relationships I have with my opposition critics—Greg, Mario, Richard—as well as other members of this committee. We

hardly agree, nor should we. We all have jobs to do, but I do believe that constructive relationships are how we best serve Canadians. It's how we tackle the challenges that we face. I look forward to continuing this important work.

With that, I welcome your questions.

● (1320)

[*Translation*]

I thank you for your attention.

[*English*]

**The Chair:** Minister, thank you very much.

You're quite right. Your departmental officials are stellar, and we are always very grateful for their input and your input. We're very proud of the working relationship we have on this committee too. We get along famously. We respectfully disagree at times, but respectfully is the key word there. Thank you for those remarks.

I forgot at the outset to welcome Mr. McLeod back to our committee. He is substituting for Mr. May today. This is a homecoming of sorts for him because Mr. McLeod was on this committee back in 2015 for a number of years.

We're glad to have you here today, Mr. McLeod.

We will start our first round of six-minute questions with Mr. McLean.

**Mr. Greg McLean (Calgary Centre, CPC):** Thank you, Mr. Chair.

Thank you, Minister, for being generous with your time with us today at this committee. I really appreciate your comments, and I'm going to start with something you mentioned there.

I want to take a top-level look first of all at the estimates. You talked about Canada's natural resource wealth and how, of course, across the world we stand out in so many ways, yet when we look at the budget for your department, last year the main estimates were \$1.4 billion for the Department of Natural Resources, and this year they are \$2.2 billion. They went up over the course of that time from \$1.4 billion to \$1.8 billion to \$2.2 billion.

It's safe to say that over the last year there has been no real development in the natural resource industry sector in Canada, so is it safe to say at this point in time that you are becoming a cost centre for the Canadian taxpayers as opposed to a sector that used to be a profit sector for the Canadian taxpayers?

**Hon. Seamus O'Regan:** You weren't kidding when you said that's a high-level question, Mr. McLean, and you're right to pose it.

No. I don't agree with that assessment. I would say, first of all, that we are looking at making very strategic investments in the sector. I would also say that there are many other departments—and I think here strongly of Innovation, ECCC, and Infrastructure Canada—that have helped us make the investments that we need to make, particularly when we look at the challenges facing our energy industry and things like net zero and the net-zero accelerator. I would like to think that, in fact, the natural resources sector is so high on our priority list that it sometimes branches out beyond this one department.

I have made quite clear where we stand as a sector in driving this economy. If other ministers and departments want to share in that enthusiasm and in that wise investment, then I welcome it.

**Mr. Greg McLean:** Thank you.

Let me punch into the numbers a little more directly now. We talk about the extra money that's being spent here—or less money that's been spent in some cases.

The clean growth program in Natural Resources for sector innovation is down by \$10 million to \$28 million in this set of estimates, and the contribution to support expanding market opportunities is up by \$17 million.

Tie that in with what's happening with the liquefied natural gas sector on the west coast of Canada, where we used to have over 20 projects vying for export opportunities around the world. They competed with, obviously, opportunities elsewhere in the world, and now that's down to two that are in process right now.

Recently, as you know, Woodside finally pulled out of its joint venture with Chevron, so Kitimat LNG is not proceeding as well. That's another big loss for the country.

How does putting more government money in to replace the private sector money, which is, obviously, leaving for a reason...? I will note that large organizations—and Woodside is not a large organization—do not put \$3 billion into a project in a foreign country and then walk away without something having changed as a result of macroeconomic factors. Those macroeconomic factors are not external; they are in Canada.

Please explain that for me.

• (1325)

**Hon. Seamus O'Regan:** I share the member's disappointment with the news about Woodside and the fact that they withdrew from the project. That affects the local communities, particularly the Haisla First Nation, which is supportive of the project.

It was a market-based decision. The CER had already approved the Kitimat LNG application for an export licence. The project was ready to proceed.

I will share with you what the CEO of Australia's Woodside Petroleum had to say about the decision. He said purchasers of LNG don't want to commit to long-term contracts because the price of renewable generated electricity such as wind and solar has dropped 80% to 90% over the last 10 years. It's easy to blame the

regulatory process, and it's easy to blame the government. The reality is that the market is moving, and it has moved particularly fast over the past year or year and a half, as I said in my opening remarks. The energy landscape is changing. Companies are reacting. I would certainly agree that governments have to be equally nimble in this marketplace, but it is moving extraordinarily fast. One reason is that the price of renewable generated electricity like wind and solar has plummeted over the last little while and continues to do so as the market reacts.

**Mr. Greg McLean:** Yet, Minister, we know for certain that the coal combustion growth is going to continue in Asia for decades yet. Look at the number of projects that are on the books or are being built in Asia. They're looking for cleaner alternatives, including Canadian liquefied natural gas, and we're not able to provide it here. The reason for this is that we no longer have clarity of outcome. That has been clear in the regulatory process under your government, and it does push the timeline. In business, time is money, as you would know.

You did mention the indigenous partnerships as well. In this set of estimates, you're talking about \$6 million more for indigenous natural resources partnerships and contributions of \$3 million in support of indigenous economic development, so that's \$9 million more, yet what we've forgone here in Kitimat alone is about a \$2-billion economic benefit for the Haisla First Nation and tens of millions of dollars in contracts for all 16 first nations along the Pacific Trail Pipeline that was going to be built along the way.

Putting more money into these partnerships to replace the billions and tens of millions that were spent by these companies is a drop in the bucket for indigenous economic reconciliation. How do you square that?

**Hon. Seamus O'Regan:** First let me speak to the issue of LNG. I agree with you: I think there are certainly jurisdictions in the world that are attempting to get off coal—here I'm thinking particularly of markets in Asia—where LNG could come in quite handy. Ultimately, our focus can and must be on lowering emissions. We see a market for Canadian LNG in displacing coal in those marketplaces that do not have the option.

I would say on indigenous...that I look at indigenous natural resource partnerships. We announced those I think in November of last year. I think these are pivotal. With the INRP, it's up to \$12 million in additional funding over two years. That's in addition to the existing program, but this is something that I'm intimately familiar with because I've studied it. I've been there on that capacity building of indigenous groups.

When we build up those capacities, that then does help their participation in economic development through natural resources, should they choose to pursue it. It is an incredible bang for the buck, because it allows them to participate with confidence in the environmental assessment process, and wherever we can have that surety and that certainty, as you mentioned and as I've brought up before, then the chances of getting good projects done in this country increase demonstrably.

It's modest funding—

**The Chair:** Thank you—

**Hon. Seamus O'Regan:** —but a big bang for the buck.

**Mr. Greg McLean:** Thank you, Minister.

Do I have more time?

**The Chair:** No. In fact, you owe me some.

**Mr. Greg McLean:** Thank you.

**The Chair:** Okay.

We're moving on to Mr. Weiler.

**Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.):** Thank you, Mr. Chair, and thank you, Minister, for joining our committee today to talk about the main and supplementary estimates.

I really appreciate your opening comments about the breadth of all of the different programs that are under your mandate here, everything from traditional natural resource sectors to a lot of the areas that we're moving towards right now as well, which are going to lead to job growth in our country in the future.

In the estimates this year, Natural Resources Canada is requesting \$24 million in support for electric vehicles and alternative fuel infrastructure deployment, and \$34 million in support of the zero-emissions vehicle infrastructure program. These two programs have made a huge difference in my riding, with 27 new charging stations being established in Whistler and Squamish just last year. I know that the Village of Lions Bay is interested in it. As well, the District of West Vancouver is in the midst of considering transitioning its entire fleet to electric vehicles.

More charging infrastructure and support from both the federal and the provincial level for the temporary additional costs that we're going to see for EVs until they reach parity in a few years is why B.C. has the fastest electrical vehicle adoption rate in North America right now. We know this is important, because Canada has the least fuel-efficient fleet in the world and transportation is our second-largest source of emissions right now.

What opportunities do you see for Canada's economy with the rollout of cleaner transportation throughout the whole value chain, and how do these programs fit into it?

• (1330)

**Hon. Seamus O'Regan:** It's been a remarkable time for EVs, even in the fact that we're seeing such enthusiasm south of the border for this now. I think just a couple of weeks ago we saw President Biden in Detroit rolling off a Ford F-150 Lightning. If a pickup like the F-150, which is without a doubt the most popular vehicle in my province, goes electric and the consumer buys into it,

that's a real turning point. GM is saying that they would stop internal combustion engines after 2035. This is remarkable.

Canadians want those greener options, so we're trying to give it to them. We have an ambitious goal of 100% of light-duty vehicle sales, zero emissions, in Canada by 2040. We are building, as you said, coast-to-coast networks of zero-emission vehicle chargers so that Canadians no longer have to worry about range anxiety, which is a big one for a lot of people, or the accessibility of charging infrastructure. We're making the switch to electric and zero-emission vehicles easier where we can. We're installing those chargers where Canadians work, where they live and where they play. Our investments have been working.

At NRCan we offer two funding streams. Both see heavy uptake during the call for proposals. We have the electric vehicle and alternative fuel infrastructure deployment initiative. It has resulted in 1,087 chargers funded, nearly half of which are currently open. We have the zero-emission vehicle infrastructure program. That has also been hugely successful, running three calls for funding each year, yielding proposals for thousands of chargers. In 2019 we had one call for proposals alone that yielded 52 projects to install 1,866 level two and 351 fast chargers. For our 2020 calls for proposals, we received nearly 100 project proposals for a potential 10,000 charging stations.

It's through programs like these, installing charging infrastructure and incentives to make EVs more affordable, that you get to net zero by 2050. It is very popular with Canadians, but you have to meet them halfway, and that's what we're attempting to do here. You can't have people with range anxiety. Ultimately, I think a lot of people will find that charging their car at home or at the office will be just as easy as charging their phone, which we do habitually, and will save money. This will only work if people feel they're saving money and in fact are saving money.

**Mr. Patrick Weiler:** Absolutely. I think a lot of Canadians don't realize just how much money you can save in terms of operational costs by having an electric vehicle. I think there's a need to get more of that information out there.

In the fall economic statement, the federal government committed \$2.6 billion toward a home retrofit program. In the estimates this year, Natural Resources is requesting \$210 million in grants in furtherance of it. This is the program I get asked about just about as much as anything else—

**Hon. Seamus O'Regan:** Good.

**Mr. Patrick Weiler:**—because I know that constituents are very interested in doing what they can to shrink their own carbon footprint as well as save money on home heating bills. I also speak to contractors very frequently who are interested in doing work in this space, although of course they're very busy these days.

I was hoping you could talk a little bit more about the details of this program. When and how are people going to be able to access it?

• (1335)

**Hon. Seamus O'Regan:** Right now: Go to our website. It gets back to the answer I gave to your previous question, Mr. Weiler. This will only work if people feel they're saving money and in fact are saving money.

To be honest with you, my own personal thought on this is that so much of the talk on climate change and combatting climate change has the tone of sacrifice, sacrifice, sacrifice. In fact, if it's done well, people save money. If we can get the incentives right, if government can play its part, then it's about efficiency, and through efficiency people should be able to save money.

That's how you make sure it's sustained. Let the marketplace take over, which we're seeing, as I mentioned earlier, with oil companies around the world right now. It's happening at a macro level. Here we're switching over and going to a micro level, to the household level. We're giving Canadians up to \$5,000 to make their homes more energy efficient, and have lower bills and lower emissions. It's climate action starting at home, and it's not just saving money. Retrofitting homes creates jobs. I'm very sensitive to creating jobs in every part of the country.

As I've said to this committee before, I grew up in Happy Valley-Goose Bay, Labrador. Federal programs were not something that included us very often. It was very cookie-cutter. We wanted to make sure that we worked with the provinces and the utilities—every one of them, in this case—to get it right from the ground up. Retrofits have to happen in your home by people, by contractors, who have to be in or near your community.

**The Chair:** Thank you—

**Hon. Seamus O'Regan:** You have work for them, work for contractors and work for energy advisers.

**The Chair:** Thank you.

I hate interrupting. I'm always looking for the opportune time when there is a break. People are very enthused about this topic today, so it's more challenging. I apologize for interrupting.

Mr. Simard, we'll go over to you, sir.

[*Translation*]

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

I want to start by thanking you for being with us, Mr. Minister.

I listened carefully to your opening remarks. You talked about how this is a defining moment to move toward net-zero emissions. You also talked about the International Energy Agency, which said in a study this week that no new oil and gas projects should be initiated.

I have to tell you that I'm a bit transfixed, because if I remember correctly, in January 2020 the government announced the launch of 40 new offshore drilling projects. And what struck me was that the environmental assessment process had not been changed, it had been abolished. So I don't see how such projects are reconcilable with the defining moment to move toward net-zero emissions.

In my opinion, the icing on the cake is the proverbial \$559-million emissions reduction fund. That's the amount of money you are going to give in financial support to the oil and gas industry to make it greener. I don't know on what basis you made that decision, but I personally see it as what we call “greenwashing”.

That is a lot of money, which could have been invested in natural resources that already show promise in addressing climate change. I'm thinking of the forestry industry, among others.

My question is simple, Mr. Minister. On what basis did you make the decision to provide \$559 million in financial support to the oil and gas industry?

**Hon. Seamus O'Regan:** Thank you for the question.

[*English*]

Forgive me, once again, Mr. Simard, for my English and my inability to answer you substantially in your language. I'm working on it.

First of all, I will speak briefly about the IEA report, and then I want to dig into your comments about the offshore, which is obviously something that I'm very passionate about. As this committee knows, Newfoundland and Labrador relies more on the royalties from its oil industry than even Alberta, which is obviously substantial.

To speak to the IEA report, it is something that we're looking at very carefully in its implications for this country. We had asked them to commission this report. It's helpful to remember that the IEA was formed by the OECD in 1974, after the price shocks of the 1970s, to make sure that the world had enough oil. For the IEA to come out in 2021 and say that they think the world does have enough oil is seminal; I think it's worth saying that. It's not coincidental that we saw on the 26th the upheaval that we have seen in three major oil companies. The shareholders and investors are reacting. Having said that, it's very sweeping and is not particular, in some cases, to Canada.

I would say this about the offshore. First of all, Newfoundland and Labrador's light sweet crude has some of the lowest-intensity emissions per barrel in the world. Even the IEA acknowledges that oil and gas will be in the mix for quite some time, up to and including 2050. We are laser-focused on lowering emissions. If you can begin with a product that inherently has lower emissions, that is a good thing, but we are also looking at working with the industry to lower emissions in the extraction and operation—

• (1340)

[*Translation*]

**Mr. Mario Simard:** Excuse me, Mr. Minister, but my time is very short.

I'd like to focus primarily on the so-called emissions reduction fund.

On what basis did you make the decision to inject \$559 million into a program that applies only to the oil and gas industry?

How do you justify that decision?

[*English*]

**Hon. Seamus O'Regan:** If they are lowering emissions and are doing so in a substantial way, we will back it. I've made that very clear. This is all singularly about lowering emissions. The emissions reduction fund is something that I am actually quite proud of. We put it in place during the pandemic. It is a way to create jobs, to maintain the workers and also to facilitate economic activity at a time when this industry was hurting crucially, and it is all about lowering emissions.

Those projects are under way right now, with 16 in my province, in the Newfoundland offshore. One is with Atlantic Towing Ltd., which has demonstrated battery and electric technologies in offshore supply vessels. We have two projects on the Hibernia platform. One is on flare reduction technology, and the second is on building a prototype digital power generation system to optimize platform energy use. We're also working with Planetary Hydrogen to research whether their CCUS technology can be applied to offshore facilities. That's just for the offshore.

For the onshore, we have 40 projects under way in Manitoba, Saskatchewan, Alberta and British Columbia: projects that will eliminate methane emissions equivalent to 3.1 megatonnes of carbon dioxide. That's 674,000 cars off the road. Tundra Oil & Gas is teaming up with Steel Reef infrastructure on a project that straddles the Manitoba-Saskatchewan border and is to capture methane emissions, because emissions know no borders.

These are real projects with real jobs for workers and for lowering emissions—that is our singular focus.

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

[*Translation*]

**Mr. Mario Simard:** Is—

[*English*]

**The Chair:** Thank you, Mr. Simard. That's all your time, unfortunately.

Mr. Cannings, we'll go over to you.

**Mr. Richard Cannings (South Okanagan—West Kootenay, NDP):** Thank you, Mr. Chair.

Thank you, Minister, for being here with us today.

I'm going to follow up on Monsieur Simard's questions about the tie-in to that International Energy Agency report. I'm happy to hear that Canada was one of the players that actually commissioned that report and asked for it.

I assume you accept the findings. One of the findings is that no new oil and gas projects are needed in the world. As you say, we have enough oil. Another one is that North American sources of oil and gas will see a real diminishment in their market share, as opposed to other parts of the world. This will obviously have real impacts on the Canadian energy sector.

The Canada Energy Regulator came out with a report that said we didn't need Trans Mountain expansion and we didn't need Keystone XL—that we had enough pipeline capacity with other pipelines—and yet we're doubling down on the Trans Mountain expansion. The cost of that pipeline to the Canadian taxpayer is about the same as your projected investments over the next 10 years in climate action. We have independent analyses that show there won't be any real profits for Canada from the Trans Mountain pipeline.

Without any real profits, why not have a real plan to spend that money, that \$15 billion, on projects for the future? You've outlined a lot of the good things that the government is starting to do to fight climate change. Why not double down on that to create good, long-term jobs for the future to really respect the workers in the energy sector? They're facing a really uncertain future when they see reports like the IEA report. We should be respecting them by investing in other sectors instead of the oil and gas sector.

• (1345)

**Hon. Seamus O'Regan:** Mr. Cannings, first of all, thank you for the questions.

I would perhaps dispute a couple of assertions you made.

TMX is not about a new project. It is about making sure we get oil to the right place and to the right markets and at the right price and not suffer the discounts we suffer at the moment.

I would also say that I recognize the IEA report as being seminal. We are still sifting through it and making sure we get a good analysis of it. I am invested in it. I'm a founding member of the IEA's Global Commission on People-Centred Clean Energy Transitions—the wording is a bit cumbersome, but I think you get the idea—and that is because I am advocating consistently and every time I meet with the IEA. We're meeting again on that commission next week to talk about workers. I agree with you on that point. While lowering emissions is urgent, it must be done effectively and it must be done in an orderly fashion. That word “orderly” sounds...but it's very important that we get it right in order to make sure we protect our industry and our workers and at the same time lower emissions with urgency. I do believe meeting that challenge is possible.

I would say on the IEA, again, to come back to my earlier point, that there are different types of oil. There are some that are inherently lower emitting than others. That is a fact. Newfoundland and Labrador, for instance, has some of the lowest in the world.

Second, we have the capacity in this country to make sure that we lower those emissions even further. For instance, on natural gas, not all natural gas can be utilized in the same way. We see it as a very positive thing for blue hydrogen. Blue hydrogen, as part of our national hydrogen strategy, is where we see Alberta going. It's where we see Saskatchewan going. Right now we have about a 90% efficacy, and that 90% will be captured by CCUS. We believe we can drive those numbers higher—I have great faith in our ability to do that—so we can get closer to 100%. Blue hydrogen being used in that space to produce hydrogen is only a plus for lowering emissions and for Canadian competitiveness and for Canadian workers.

**Mr. Richard Cannings:** Thank you.

I guess I would dispute your assertion that Trans Mountain is not about new projects. It's an expansion project after all. It's about exporting more oil from Canada, and that clearly really won't be necessary under this new study.

I'd like to turn now to the where I'd like to see more money spent, and that is in projects like retrofits. I'm very happy the government has basically restarted what was the ecoENERGY retrofit program with these grants of \$5,000. It's a very good sign. I had a

private member's bill on that in the last Parliament. I'm happy to see the loan programs, but as I said when you came before this committee the last time, we're leaving out people who are in energy poverty, the people who pay more than 6% of their household incomes in energy costs.

I'm just wondering if there are any plans—I know you've heard from me and you've heard from Efficiency Canada—to bring in a no-cost turnkey plan that would help those people retrofit their homes at no cost to themselves. These are the older homes that need it. Are there any plans to do that?

**The Chair:** Please be brief if you can, Minister.

**Hon. Seamus O'Regan:** Yes.

I would just say that it's interesting, Mr. Cannings, that I just came from making an announcement on social housing, appearing virtually with Minister Hussen, on eight new social housing units right in the middle of my riding, all with EnerGuide, all with home efficiency. My department was involved.

You have the Canada greener homes grant, which is open to thousands, if not millions, of Canadians. I'm happy to say that our website crashed yesterday, although we brought it back fairly quickly, and I'm proud of my department for doing that. But there are other areas, particularly under Minister Hussen's department, where we are making sure that reach is broader. As I said yesterday in the media, I personally believe we are only going to build this up. Doing it just makes too much sense; I agree with you.

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

Thanks, Mr. Cannings.

We're now moving into the second round of five minutes per questioner, starting with Mr. Zimmer, I believe.

• (1350)

**Mr. Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC):** Thank you, Mr. Chair.

Thank you, Minister, for coming today.

We talked to the Minister of International Trade previously about a softwood lumber agreement. She gave us the impression that negotiations were happening. Then we saw the May 16 Reuters article. There was a quote from Katherine Tai, the U.S. trade representative, who told U.S. senators:

despite higher prices, the fundamental dispute remains

—and this is between Canada and the U.S.—

and there have been no talks on a new lumber quota arrangement.

In order to have an agreement and in order to have a negotiation, you need to have a partner. And thus far, the Canadians have not expressed interest in engaging.

Can you just speak to that, Minister? Are you aware of whether or not there is a negotiation going on?

**Hon. Seamus O'Regan:** I will say, look, Minister Ng is very active on this file with her American counterparts right now, and we've consistently raised this issue. We raised it with the president directly. We've raised it with members of his cabinet. U.S. duties on Canadian softwood lumber are unwarranted. They are unjustified. They are unfair. They hurt our workers. They hurt our forestry sector and, frankly, they hurt their sector as well.

We are still pressing for a negotiated settlement. It's in the best interests of both countries. The U.S. needs our softwood lumber. We supply roughly a quarter of what is consumed in the U.S. That's over \$8 billion. The U.S. housing market continues to rise. The demand for softwood lumber is only going to increase as a result.

**Mr. Bob Zimmer:** Let me ask you this, then, to follow up on that, Minister, because I guess we need to understand that “active” actually means, because it was a day after that when we saw what Minister Ng....

This is from Reuters:

A statement from Canada's trade ministry said Ng also raised concerns about U.S. trade policies but the two agreed on the need to strengthen North American supply chains....

We agree.

Reuters continued:

Minister Ng reiterated that it was in the best interest of both countries to reach an agreement on softwood lumber....

I'm going to ask you a really blunt question. Are you, as a government, negotiating a new softwood lumber agreement, yes or no?

**Hon. Seamus O'Regan:** Minister Ng continues to work on this file. She works on it with her American counterparts, obviously. Preserving rules-based trade is essential. It's why we included an effective and transparent dispute settlement resolution mechanism in chapter 10—

**Mr. Bob Zimmer:** I appreciate the—

**Hon. Seamus O'Regan:** —for CUSMA. We will use—

**Mr. Bob Zimmer:** This was just a yes-or-no question. Is it being negotiated?

**Hon. Seamus O'Regan:** —whatever tools we need to defend Canada's forestry workers, particularly in the softwood lumber industry, including through litigation under chapter 19 of NAFTA, including chapter 10 of CUSMA and the World Trade Organization.

**Mr. Bob Zimmer:** Thank you, Minister.

I didn't get an answer there, but I think, based on what my colleague had asked, I—

**Hon. Seamus O'Regan:** Let me—

**Mr. Bob Zimmer:** Just hold on.

Clarity—

**Hon. Seamus O'Regan:** I can be blunt with you about this, though. Look, I think the U.S.—

**Mr. Bob Zimmer:** I asked for a yes-or-no answer, Minister. You didn't give me a yes-or-no answer, so I again gave you the time to do it. My time is short, so please—yes or no?

**Hon. Seamus O'Regan:** The U.S. hasn't been willing. We are.

**Mr. Bob Zimmer:** Well, Minister, Katherine Tai, the U.S. trade representative, says the exact opposite. She says, “In order to have an agreement and in order to have a negotiation, you [have to] have a partner. And thus far, the Canadians have not expressed interest [even] in engaging.”

Minister, this is right from the U.S. trade representative.

**Hon. Seamus O'Regan:** Well, this is from the Minister of Natural Resources: the U.S. has not been willing. We are.

**Mr. Bob Zimmer:** Well, based on what my colleague Mr. McLean talked about in terms of clarity of outcome, I think we're seeing, with the exorbitant fluctuations and instability in our forest sector, and really in lumber prices in North America, we see this. On May 24, a Bloomberg news article, after the supposed confidence the minister is supposed to bring to the file, said:

Commerce's International Trade Administration has calculated a preliminary duty of 18.32%, but the current 8.99% rate remains in place, because a final determination hasn't been made.

The article continued with our own Susan Yurkovich from COFI:

“We find the significant increase in today's preliminary rates troubling,” Susan Yurkovich, president of the BC Lumber Trade Council, said.... “It is particularly egregious given lumber prices are at a record high and demand is skyrocketing in the U.S. as families across the country look to repair, remodel and build new homes.”

Our sector needs stability, Minister, and this fluctuation just shows that a softwood lumber agreement would be instrumental in stabilizing the industry. Frankly, we haven't seen movement. You're saying one thing and the U.S. trade representative is saying another. I'll just say it. I was just in Prince George, and throughout my riding yesterday, they needed stability....

• (1355)

**The Chair:** Mr. Zimmer, can you ask a question? I'll give him a brief time to answer. You're actually out of time now, but if you want to put the question to him, I'll allow him to answer.

**Mr. Bob Zimmer:** What are you doing to provide stability to the forest sector, Minister?

**Hon. Seamus O'Regan:** We are seeking an agreement. The U.S.A. is not willing to reach an agreement. We are.

I would also say, Mr. Zimmer, that I hear you loud and clear on the frustration of your constituents and your province. We share that frustration.

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

Thanks, Mr. Zimmer.

Mr. Lefebvre, we'll go over to you.

**Mr. Paul Lefebvre (Sudbury, Lib.):** Thank you, Mr. Chair.

Minister, I hope everything is well. I have been waiting for a while to be in a position to ask you questions, and here I am.

I want to chat about what you mentioned in your opening remarks about the mining sector, which is near and dear to my community here in Sudbury. Actually, yesterday I met with a Glencore representative and discussed the footprint they have here in Sudbury. We have in Sudbury probably one of the greenest mines and greenest mining sectors in the world. Basically, the footprint of one of their mines is actually smaller than the Canadian Tire at the end of the street. It is amazing, the innovation going on in this sector and how it has transformed itself.

As we see our economy shifting in the energy sector to the clean energy that we require, battery-electric vehicles will be key to that. They will need batteries, certainly, and the critical minerals that we extract here and in your province as well. I know that Vale Inco is in your province and very important as well.

I really want to hear your input as to where you think this sector is now with the potential of the battery-electric vehicle sector and the role of Canada in the world. When I was PS, I had the opportunity to meet with a lot of international ministers of mines and energy. They were looking at us as one of the tier-one destinations and asking us what we were doing. Sometimes in Canada we don't look at ourselves like that, being the modest people that we are.

I really want to hear from you guys on where you think the sector is right now and the importance of this sector to our economy.

**Hon. Seamus O'Regan:** Thank you, Paul. It is good to have you in that chair as well. You served very well, as I think other members of this committee know, as parliamentary secretary. It's good to see you.

I would say a couple of things. We should be less modest about these things. We should be prouder and speak it. It's a crowded and competitive international space, so we should be loud and proud about our natural resources sector, and in this particular case in mining. In terms of its future overall, I was reading the other day that the average offshore wind turbine will require 60,000 pounds of copper. That's a lot of copper. There are a lot of wind turbines being built right now.

Voisey's Bay in Labrador is very, very familiar to me. I actually have a core sample from Voisey's Bay from the 1990s. It's on my desk in Ottawa, which I haven't seen in quite some time.

On the nickel and mining products in general, to get back to my point about oil, some are better than others. The nickel that is produced at the Voisey's Bay find in Labrador, as Ms. Jones knows very well, is some of the cleanest and best in the world. There will be a demand for that sort of cleaner product. I think manufacturers and consumers will be very discriminating. As we learn more about battery production and as we learn more about mining, I think Canadian ESG will only shine in this instance. We are a transparent provider, we are a reliable provider, and we play by trade rules, unlike, frankly, some of our competitors. We are secure and we are sustainable.

That includes in critical minerals. As you know, we released earlier this year our critical minerals list of 31 critical minerals, such as aluminum, graphite, rare earth elements and zinc. We can and we will produce every one of them. Our workers, our prospectors and our developers, will lead the way. Those are the essential minerals for developing clean technologies like solar panels and EV batteries. They are essential to lowering emissions, therefore increasing our competitiveness and strengthening our energy security.

**Mr. Paul Lefebvre:** How much time to do I have, Mr. Chair?

**The Chair:** You have one minute.

**Mr. Paul Lefebvre:** Okay.

On that point, I want you to speak to the circular economy, when it comes to that, and the potential it offers across the country. When we look at this sector, there is a limited amount of nickel and copper around the world. As we develop this sector, we need to make sure that we recycle these materials as much as possible. In my riding here, there is so much potential just in the waste piles we have. A lot of these rare earths and elements are stacked away in there.

I think there's a ton of potential in that sector for creating that circular economy. It is not something that even five years ago we were even talking about. Perhaps we could hear your thoughts on the potential of the circular economy when it comes to battery-electric vehicles and making sure that we recycle as many minerals as we can.

• (1400)

**The Chair:** Maybe it wasn't clear. The one minute included the answer; it was meant to include the answer.

**Hon. Seamus O'Regan:** Thank you, Mr. Chair.

I would just say, look, we're doubling down on critical minerals. We did in budget 2021. We established a critical battery minerals centre of excellence. We're working with the provinces and territories. We will be implementing the Canada-U.S. joint action plan on critical minerals. This is something that is very important to the U.S. as well, and we want to establish secure supply chains with the U.S.

**Mr. Paul Lefebvre:** Awesome. Thank you.

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

We'll move to Mr. Simard for two and a half minutes.

[*Translation*]

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

Mr. Minister, I'd like to come back to the \$559 million invested in the emissions reduction fund. In my view, the oil and gas sector produces carbon, while the forestry sector captures it. There is a guiding principle for the environment, and it's called the bonus-malus principle, in other words, the polluter pays principle. You seem to be applying the polluter paid principle instead.

I don't know if you know this, but in the last four years, your government has given Quebec's forestry sector barely \$70 million. And 75% of that is in the form of loans. That is 0.3% of the \$20 billion that the forestry sector brings in each year in Quebec. It's not much. You get four times what you invest in the forestry sector.

I don't know if you can understand the dismay that some members of the forestry industry feel when they see those figures. Earlier, I did a quick calculation. In one year, you invest \$559 million in the emissions reduction fund, when you have invested less than that in the forestry sector over the past 25 years.

Don't you feel that's unfair?

**Hon. Seamus O'Regan:** Thank you for the question, Mr. Simard.

[*English*]

Since, I think 2010, we have put \$357 million into forestry transformation. We have \$3.2 billion coming up for two billion trees. I think there are other mechanisms that are playing themselves out in

the marketplace, as they should, right now. One of them is carbon pricing, and the second one is the clean fuel standard. Carbon pricing is playing itself out right now.

To flesh this out some more for you, perhaps, I'm going to ask my deputy minister, Jean-François Tremblay, to intervene here.

[*Translation*]

**Mr. Jean-François Tremblay (Deputy Minister, Department of Natural Resources):** With respect to the emissions reduction fund, as the minister mentioned, we already have a price on carbon and we have already created standards governing fuels.

We created the fund to address the issue of methane emissions. We have also introduced regulations for methane. We're trying to get the highest reduction in greenhouse gases with our existing production.

If you read the reports carefully, including those from the International Energy Agency, you'll see that they clearly say that carbon capture, utilization and storage will be needed to reduce existing emissions. Just for the first tender, we have already reached 3.1 megatons—

[*English*]

**The Chair:** Thank you.

I'm sorry. I'm going to have to interrupt.

Mr. Simard, maybe you can get back to that in the next round.

Mr. Cannings.

**Mr. Richard Cannings:** Thank you.

I'm going to move on now to a couple of questions about the nuclear industry.

Specifically in the estimates, it says that Atomic Energy of Canada Limited is getting over \$800 million for decommissioning and waste management. I have a specific question on that. Is part of that to deal with the waste at Chalk River? I hear constantly about it from concerned citizens. They're concerned about the plans for just an open pile of nuclear waste there.

Second, I have just a higher-level question about an integrated nuclear waste management strategy that is developed outside of industry. Right now, we have the Nuclear Waste Management Organization, which is part of industry. You and your government have constantly said that you want to regain the trust and confidence of Canadians with regard to nuclear waste management. To me, an integral part of that is having a strategy that's developed by the people of Canada, by the government, and not by industry.

• (1405)

**Hon. Seamus O'Regan:** Thank you, Mr. Cannings, for the question.

I'll begin and maybe ask Mollie to finish off my thoughts on this and get granular with you.

First of all, when it comes to nuclear energy, safety is our top priority. Radioactive waste has to be safely managed, there's no question, and we're always looking at ways to improve so we can have the best policy in place that is based on science and facts, and that continues to meet international standards.

We launched our engagement process on modernizing Canada's radioactive waste management framework back in October. I have participated in round tables on the issue because it's important to so many Canadians and specifically to indigenous peoples, so we have to take it seriously.

Mollie, maybe you can expand on this for Mr. Cannings.

**Ms. Mollie Johnson (Assistant Deputy Minister, Low Carbon Energy Sector, Department of Natural Resources):** You bet. Thank you very much.

Mr. Cannings, you were asking first about the AECL spending. The funding in the estimates will be used to support the AECL in delivering on its mandate of enabling nuclear science and technology, adjusting radioactive waste management and fulfilling its decommissioning responsibilities. With this they're also supporting the renewal and the revitalization of the Chalk River labs.

With respect to your question on the radioactive waste review, I just want to be clear that we are accountable for the policy development itself. That is within the authority of Natural Resources Canada. On the strategy that would then be based on the policy, that's where the NWMO would come into play, but again the policy itself is within the authority of the government.

On engagement and consultation, we really did work in three phases. The first was to ask and engage stakeholders, indigenous people, provinces and territories how they want to be engaged; then we did the consultations, and now we're in the process of developing a "what we heard" report. That's the part of the process we're in right now. That will be done on Monday, actually, which is May 31, in terms of the feedback process that we're getting, and then we look forward to coming forward with the changes, but those will take us a little bit of time to develop.

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

**Mr. Richard Cannings:** Thank you.

**The Chair:** Thanks, Mr. Cannings.

We go now to Mr. Lloyd for five minutes.

**Mr. Dane Lloyd (Sturgeon River—Parkland, CPC):** Thank you, Mr. Chair.

Minister, the designation of plastic as a toxic substance threatens a significant number of jobs and a significant amount of investment in our country. Can you tell me, Minister, whether you have been hearing concerns from your provincial counterparts on this move?

**Hon. Seamus O'Regan:** Thank you, Mr. Lloyd.

First of all, I'll state the obvious, that it's an ECCC issue, but yes, I've heard and read the same concerns. At the same time I think it's really important to note how important plastics are, particularly in this pandemic world that we live in.

**Mr. Dane Lloyd:** What has industry been telling you about the threat to jobs and investment in our country, based on this move?

**Hon. Seamus O'Regan:** That I have not heard about directly.

**Mr. Dane Lloyd:** But have you heard about it indirectly?

**Hon. Seamus O'Regan:** I have heard, I think probably, the same reports and the same media coverage that you have.

**Mr. Dane Lloyd:** Are you aware that these companies are taking the government to court over this move?

**Hon. Seamus O'Regan:** I am not but perhaps I can ask my deputy minister if he has any thoughts on the issue.

**Mr. Dane Lloyd:** Before we go to that, Minister, what are you doing to advocate for the plastics industry in Canada?

**Hon. Seamus O'Regan:** It's not within my bailiwick, but certainly—

**Mr. Dane Lloyd:** You sit around the cabinet table when these decisions are made. I'm not asking you to divulge what you're saying in cabinet, but how are you, in high terms, advocating for this industry?

**Hon. Seamus O'Regan:** I'm advocating for the industry by making sure that we have a low-emitting and competitive oil and gas industry.

**Mr. Dane Lloyd:** Well, what does that have to do with the plastics industry in terms of emissions?

**Hon. Seamus O'Regan:** Plastics are derived from oil.

• (1410)

**Mr. Dane Lloyd:** Yes, and they're sequestered into the plastic product. Plastics are not a hugely emitting industry.

**Mr. Paul Lefebvre:** On a point of order, Mr. Chair, we're talking about plastics here. This is old—

**Mr. Dane Lloyd:** I hope this doesn't take up my time here, Mr. Chair.

**Mr. Paul Lefebvre:** You can have your time. I don't mind at all.

This is completely for ECCC. The minister has his hands full with all of the sectors he's dealing with on his own, so the fact that you want to talk about plastics here and the plastics industry really has no relevance at all, I think, to the discussions and to having the Minister of Natural Resources here.

Thank you.

**The Chair:** Thanks, Mr. Lefebvre.

Yes, Mr. Lloyd, I don't think you'll disagree that we're pretty flexible on how tightly we stick to the relevancy of questions relating to the supplementary estimates, but I think this one's a little far afield, so...

**Mr. Dane Lloyd:** I hope this won't affect my time.

**The Chair:** And I didn't take away from your time.

**Mr. Dane Lloyd:** Thank you, Mr. Chair, and I will say, in my defence, that the minister is the minister for the Canada Energy Regulator, which does deal with pipelines, which deal with transportation of natural gas for the production of plastics, so it is related.

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

**Mr. Dane Lloyd:** I'm going to move on to my next line of questioning.

I note on page 168 of budget 2021 that a new tax credit has been approved for or is being approved for carbon capture utilization and sequestration, but it specifically says that it's excluding enhanced oil recovery. Why was this decision made by this government?

**Hon. Seamus O'Regan:** I think we'll see where things go. Those consultations have yet to take place. In budget 2021, we have \$319 billion to support RD and D. We also have the investment tax credit for capital invested in CCUS, as you said, for CCUS projects to support and accelerate the adoption of it. We're launching—

**Mr. Dane Lloyd:** It seems pretty cut and dry that the budget document says this does not include enhanced oil recovery. Why was that added in the budget?

**Hon. Seamus O'Regan:** We want to make sure that we get the consultations right. I'm sure that conversations about that are going to come up in those consultations. I mean—

**Mr. Dane Lloyd:** That's subject to change, you're saying. We could include enhanced oil recovery as a tax credit.

**Hon. Seamus O'Regan:** I'm looking forward to what comes out of the consultation period. The stakeholders—

**Mr. Dane Lloyd:** Are you against including enhanced oil recovery as a tax credit?

**Hon. Seamus O'Regan:** I'm open to the ideas we will hear from stakeholders in the oil patch, with provincial governments like Alberta—

**Mr. Dane Lloyd:** I can tell you that the Sturgeon Refinery in my riding, which is the number one carbon sequester in the country,

would very much appreciate being included in this tax credit. You're well aware of this refinery, Minister. Over one million tonnes of CO2 has been sequestered by them in the last year alone, all for enhanced oil recovery, but they're not being included, Minister.

**Hon. Seamus O'Regan:** Listen, the consultation will take place. I'm very excited about a national CCUS strategy. I think it is going to be a game-changer. It will lower emissions, support oil and gas workers and create jobs. We can't create CCUS without them and—

**Mr. Dane Lloyd:** No, not if it excludes enhanced oil recovery, though, Minister.

**The Chair:** Mr. Lloyd, you're free to ask the questions you want, but for the benefit of the interpreters, it would be great if you could let the minister finish speaking before you start speaking over him.

**Hon. Seamus O'Regan:** I am convinced that CCUS will help us get to net zero. That is what our plan focuses on. This could be a considerable strength for the country, and I think it's particularly well suited to the manufacture of blue hydrogen in Alberta and Saskatchewan.

**Mr. Dane Lloyd:** I'm convinced it will as well, but I'm not convinced that it will if we take your guys' plan and exclude enhanced oil recovery, which is going to be absolutely critical for companies like Whitecap Resources in Saskatchewan, the Sturgeon Refinery in my riding and the Boundary Dam project. These projects need enhanced oil recovery. This maybe not be to the same level as the non-enhanced oil recovery, but we need enhanced oil recovery to be covered under this tax credit.

I guess that's probably it for my time, Mr. Chair.

**The Chair:** It is. You're right on time, in fact, for which I'm very grateful. Thank you.

**Hon. Seamus O'Regan:** Let me add something, Mr. Chair, if you could indulge me for five seconds.

I appreciate the honourable member's kind words about Mr. Justice Wells, who was a great friend of mine. He was on the bench with my dad. Bob was a mentor to me. I appreciated his kind words yesterday in the debate on Bill S-3.

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

Ms. Jones, we'll go over to you for five minutes.

**Ms. Yvonne Jones (Labrador, Lib.):** Hello, everyone, and good afternoon.

It's nice that you could join us today, Minister. It's always good to hear about the ongoing activity in your department. You're obviously a very busy minister. At this committee, we've studied many different facets of your department and issues that affect it, so we have some insight into what you deal with every day.

I want to ask today, of course, about the support for clean energy for rural and remote communities. Having grown up in Labrador yourself, you know exactly how important it is for us in the Arctic and subarctic regions of Canada and in remote communities to ensure that we have other fuel sources or other energy sources to help reduce our reliance on diesel and fossil fuels, especially in many indigenous communities.

I noticed in the budget that you're requesting \$55.9 million. Can you give us an update on some of the new measures you'll be funding through this allocation?

• (1415)

**Hon. Seamus O'Regan:** Thank you, Ms. Jones. I see that you know very well my thoughts on this matter and how close I am to it.

When we look at the partnerships that we're setting up with indigenous natural resource partnerships and the focus that we have had on coastal communities, it's worth noting that Nunatsiavut, which is the northern part of Labrador, which of course is Ms. Jones' riding. These are communities that she and I have travelled to together. I can't believe that it's been two years now since we were last up in Nain, but I was with you there, Yvonne.

The reliance on diesel in those areas is extraordinary. At the same time, northern Nunatsiavut is experiencing warming at twice the rate of anywhere else in the Canadian Arctic, and the Canadian Arctic is experiencing warming at twice the rate of anywhere else in the world. The polar regions are getting affected most quickly.

I was reading how Natan Obed was saying that he used to have to walk so many kilometres out onto the ice to be able to harvest fish, and now he can almost do it from his door. What we are ending up with is a situation where the wisdom of elders in being able to know the land is changing, because the land itself is changing and the sea ice is changing. I want to get into the weeds of it. I'm going to go over to my deputy minister, Jean-François, to speak briefly about where we are right now with indigenous communities and northern communities getting off diesel.

[*Translation*]

**Mr. Jean-François Tremblay:** Thank you, Mr. Minister.

[*English*]

Yes, for getting remote communities off diesel, we received \$300 million. We've already received funding. As you know, we have I think more than 120 projects across the country that are helping communities to get off this dependency on diesel. What we are doing at the moment is working on the implementation of the new initiatives, building on the pipelines of projects that we already have, and we also will be engaging with indigenous groups over the next few months on how we want to work together.

Moving forward, our objective always has been.... As you know, there are many departments—Indigenous Services Canada and the

Crown-Indigenous Relations—working on this file and this issue, and our objective is to make sure that we make it as easy as possible for indigenous communities, as well as remote communities, to work with us in developing plans to address the issue and finding solutions. We also want to invest in research in order to do that, of course, because in some cases it's a technological challenge, and to also, of course, invest in deployment and capacity. That's the way we want to address the situation.

**Hon. Seamus O'Regan:** Ms. Jones, I think you know how important capacity building is to me personally. Jean-François was my deputy minister at Indigenous Services Canada as well. Being able to build that capacity from the ground up so that the solutions we find for these communities are community-led is incredibly important. I look forward to some really good news on the ground, not only in your riding, but in other northern and indigenous-led ridings.

**The Chair:** Thanks, Ms. Jones. I think I'm going to have to stop you there, unfortunately.

**Ms. Yvonne Jones:** Okay. Thank you, Mr. Chair.

Thank you, Minister.

**The Chair:** The minister has a hard stop at 2:30. We have 11 minutes left. If the Liberal members and Conservative members are willing to reduce their time from five minutes to three minutes, we will be able to have four more people ask questions—one person from each party.

Mr. Patzer, you're next. Perhaps I should ask you whether you're okay with that.

**Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC):** Well, I'd obviously prefer five minutes, if I could have it, but....

• (1420)

**Mr. Greg McLean:** On a point of order, Mr. Chair, if we can just let the next round go for the full five minutes and then revert, I think that would be more amenable....

**The Chair:** Okay. Well, that's fine. That means Mr. Simard and Mr. Cannings are finished for the day.

Mr. Patzer, carry on.

**Mr. Jeremy Patzer:** Thank you very much.

Minister, I want to start quickly by continuing a point that my colleague Mr. Lloyd was addressing, namely the enhanced oil recovery. If we're trying to make our oil production more efficient and more environmentally sustainable and environmentally friendly, the International Carbon Capture Storage Knowledge Centre has a stat out there saying that if you use enhanced oil recovery, it's 30% more eco-efficient. With numbers like that, why is your government deciding to not invest further in it when it's proven to make it a more efficient production? Plus, it's also storing and sequestering that carbon as well. It's kind of a win-win, is it not?

**Hon. Seamus O'Regan:** We've said in the budget that the tax credit as we envision it is not intended towards enhanced oil recovery, but having said that—and I've said this before—I am looking forward to hearing from stakeholders during that 90-day consultation period.

**Mr. Jeremy Patzer:** Do you think that 30%, though, would be a good enough number to make it viable, to make it something that you would move towards?

I know I'm kind of spitballing here, but....

**Hon. Seamus O'Regan:** No, that's okay. I am looking forward to this, genuinely. This is a genuine consultation period to determine those details with stakeholders in the oil patch and with provincial governments like Alberta's.

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

There are a few line items here, as I look through the main estimates, that I'd like your input on.

**Hon. Seamus O'Regan:** Sure.

**Mr. Jeremy Patzer:** With regard to contributions in support of indigenous natural resource partnerships, there were expenditures for 2019-20. There was zero for 2020-21. Then there's funding again for 2021-22. Why was there nothing for 2020-21?

**Hon. Seamus O'Regan:** That's a good question. I don't have the answer before me, at the moment.

I'll ask my deputy minister if he or one of my other officials who are present may have an answer to that question for you, sir.

**Mr. Jeremy Patzer:** Please make it brief.

**Mr. Jean-François Tremblay:** I could turn to Shirley on that, or perhaps we could send a response in writing.

**Hon. Seamus O'Regan:** Yes.

I won't take up your valuable time. We can get you an answer.

**Mr. Jeremy Patzer:** I'd greatly appreciate that.

There's one other line item that relates. For the indigenous consultations participant funding program, it's the same thing: There was funding in 2019-20, none for 2020-21, and reduced funding again for 2021-22. If you have an explanation for that, you could include that in the same, if you want. If you have it now, that's great too.

**Hon. Seamus O'Regan:** We will include it in the same. The only thing I can conjure up for you is that it might be project-related.

**Mr. Jean-François Tremblay:** I can respond to it.

**Hon. Seamus O'Regan:** Okay. Go ahead.

**Mr. Jean-François Tremblay:** What you have in front of you is the main estimates. Sometimes things come through the supplementaries. In the context of those, last year the funding actually came through the supplementaries.

**Hon. Seamus O'Regan:** Okay.

**Mr. Jean-François Tremblay:** It's just kind of funny, though, that the two topics that deal with—

**Mr. Jean-François Tremblay:** I understand.

**Mr. Jeremy Patzer:** —indigenous partnerships are the ones that have nothing. It seems like every other line item there has funding allocated towards it.

Staying on that train of thought, Minister, if we're going to be building oil pipelines that have indigenous involvement and participation, do you think those are pipelines worth advancing and worth having built?

**Hon. Seamus O'Regan:** If they go through the environmental assessment process, if you have indigenous consultation and participation, yes, but it has to go through the process, obviously. You need to make sure that you have affected indigenous organizations on board.

**Mr. Jeremy Patzer:** Okay.

I'm just going to give you a quick quote and then ask for your thoughts here. Stephen Buffalo, who is the president of the Indian Resource Council, said that your government's actions "could undo one of the most important examples of indigenous engagement". He's referring to the energy sector here. I'm wondering what your thoughts are on that.

**Hon. Seamus O'Regan:** I have appeared before the Assembly of First Nations gathering of chiefs, and I can tell you that views on energy, on oil, on pipelines are as different and disparate across that group as they are at maybe some family tables or in the House of Commons. Each organization is very different. Each community is different. Each first nation is different. Each Métis community is different. Their views on it are different and within those communities they're different. That's not to belabour the point, but you know what I mean.

**Mr. Jeremy Patzer:** Yes.

**Hon. Seamus O'Regan:** Certainly, we know that getting those consultations right is absolutely essential to having a predictable process in order to make sure that good projects, including pipelines, get built.

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

Just quickly—I have 30 seconds here—you talked about \$319 million for carbon capture and storage over seven years. You also alluded to emissions having no borders. There is, again, a carbon capture knowledge centre. If 8.5% of the coal plants in China had carbon capture, it would capture the same amount of emissions of Canada in its entirety.

What are we doing to expand carbon capture beyond Canada's borders to help reduce global emissions?

• (1425)

**Hon. Seamus O'Regan:** I don't know exactly about other countries. I just know that CCUS is something that we're being very aggressive about. I've heard the concerns from you, Mr. Lloyd, and from others about where things will figure in the consultation process. We take it all seriously. We want to get it right. It will need to be competitive. The Americans are also getting very aggressive on CCUS as well. With the high ESG of our products and with CCUS, not only do I think we are lowering emissions in the oil and gas industry; we could open up an incredible market in hydrogen.

**The Chair:** Thanks, Minister and Mr. Patzer.

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

**The Chair:** Mr. McLeod, you have the last five minutes of questions today.

**Mr. Michael McLeod (Northwest Territories, Lib.):** Thank you, Mr. Chair.

It's good to see everybody at committee.

Welcome to the minister. As the minister knows, the north is not the same—

[Translation]

**Mr. Mario Simard:** Pardon me, Mr. Chair, but we no longer have interpretation.

[English]

**The Chair:** Let's pause for a second to see if we can rectify that.

[Translation]

**Mr. Mario Simard:** I think Mr. McLeod's mic may be the problem.

[English]

**The Chair:** Is there a fix here, Madam Clerk?

**The Clerk of the Committee (Ms. Hilary Jane Powell):** I'm going to confer with the folks in IT. I know we're having some difficulties with the sound cutting in and out, so I will get some more information and report back shortly.

**Mr. Patrick Weiler:** Michael, if you lift your boom a bit that might help.

**Mr. Michael McLeod:** [Technical difficulty—Editor] the rest of Canada doesn't face, and we're experiencing climate change impacts like nowhere else in Canada. In the last two weeks, five communities flooded and to an extent we've never seen before. I'm on flood watch right now in a community where the water is going to be over the banks pretty soon.

With changing water levels, temperature change, melting permafrost, shore erosion and forest fires, we have it all, and the sad

reality is that we have very little greenhouse gas emissions. It's something that concerns us and we want to see every avenue taken to try to change it.

The announcement of the \$2.6 billion for home retrofit grants was very good to see. I think a lot of people in our communities are happy with it. There is a large indigenous population here and we have challenges with housing, so this is going to go a long way.

However, we have other issues: our costs are higher, we have isolation concerns and our construction seasons don't match those in the south. I'm hoping the minister will be able to let us know whether a solution will be tailored to the north so we can be included as part of this. That's my first question.

The second question is about the energy advisers. These positions are going to require people with a high level of education and degrees in the field already, before they're even considered as advisers. We have a small population. We don't have many experts in this field. I'm hoping this portion of the announcement will allow us to tailor the training program so we can have people from the north doing the job of energy adviser.

Those are the two questions I have for the minister.

• (1430)

**Hon. Seamus O'Regan:** Thank you, Mr. McLeod. Those are two excellent questions.

As I just said in answer to Ms. Jones, I've seen it where I grew up in Labrador. It is literally rendering the wisdom that has been passed down over hundreds, if not thousands, of years in Inuk communities in northern Labrador no longer accurate—I think that would be a soft way of putting it—because everything has changed. The ice highways that connect communities are no longer there when they need to be there.

As I indicated earlier, all of this, including two things you mentioned.... We were talking earlier about getting off diesel, but we're also talking about housing within these communities. There are steps we can take to adapt to a change in climate.

There is the issue that you rightly mentioned about energy advisers. There are about 800 energy advisers in the entire country right now. The Prime Minister and I, just about a week ago, announced that we would begin training. We are now taking proposals on training another 2,000 advisers. We see this as an incredible opportunity to really increase the number of indigenous people and women we hire. They would be in communities that are affected, as they know their communities best. We're using local knowledge and local capacity.

I know we don't have much time, and I don't want to put him on the spot, but because he was my former deputy minister in Indigenous Services, J-F may have something to add quickly to flesh out my answer for Mr. McLeod.

**Mr. Jean-François Tremblay:** No, you're right. The north has specific challenges and specific opportunities at the same time, especially on issues of adaptation. On the issue of training, I'll turn to Mollie. We've been doing some work to ensure that, as much as possible, the advisers are where the needs are and not necessarily just in downtown Ottawa.

**Ms. Mollie Johnson:** I'll be quick. We made early agreements with trusted partners to fill some of those gaps. The announcement that the Prime Minister and Minister O'Regan made is really focused on diversity and inclusion, but it also looks at training people in the places they are needed.

Mr. McLeod, as you noted, that training will focus on how we help overcome those barriers for energy advisers as they want to upskill to learn how houses work. Traditionally these have come in from specific sectors of the economy. We want to help overcome...and provide more training. We'll do that on an accelerated basis.

That is part of the focus of what we are doing. We're also working to ensure that we are taking a regional- and place-based approach. Also, right now, in the portal, individuals who have different ownership structures in indigenous communities can call into the call line, and we'll support and facilitate their entry into the portal.

**Hon. Seamus O'Regan:** Mr. McLeod, I'll just add—and you can hold me to account on this—that I grew up in the north. My officials have heard me say too many times, although never enough, that we have to take local capacity into account but particularly in the north. I'm very sensitive to that. If you see that that's not the case in your communities, you can hold me to account, and I know you will, Michael.

**The Chair:** Minister, that is an appropriate way to end. You're here today so that we can hold you to account.

**Mr. Greg McLean:** I have a point of order, Mr. Chair.

**The Chair:** Mr. McLean.

**Mr. Greg McLean:** I would ask the minister, through you, to stay an extra 10 minutes. I do think he started a little late because of the officials having difficulty getting in. I know he committed to us for an hour and a half, but that's an hour and a half of questioning, I think, not an hour and fifteen or twenty minutes.

If you would stay the extra 10 minutes, I'd appreciate that.

**The Chair:** It's not an unreasonable request, Mr. McLean, but I understand that the minister needed to stop at 2:30. It's now 2:30—almost 2:34, and we started at 1:05. We're arguing over a minute and a half, if we want to get right down to it.

**Mr. Greg McLean:** Well, I'll challenge your timing on that, Mr. Chair. I think we started after 1:10, and the minister took his first 10 minutes getting on page, so we didn't actually start asking questions until after 1:20.

**The Chair:** Okay, Mr. McLean. In fairness, the 90 minutes, or the time allocated for any meeting, always includes time for introductory remarks, and in this case it's the minister—

**Mr. Greg McLean:** Agreed, Mr. Chair—

**The Chair:** I don't know that we'd deduct his opening remarks.

**Mr. Greg McLean:** Agreed, Mr. Chair, but at the same time, it is predicated, of course, upon the officials showing up and being there, not sitting around waiting while we're waiting for officials and others to come on line so that we can ask the minister questions. Ten minutes is not a big request. If the minister is available, it would be wonderful.

**The Chair:** My understanding is that it is beyond the time he had available. I've received messages from his office. I put the request in earlier, but the minister has a very tight schedule today, so unfortunately I don't think we can accommodate that.

I do want to thank you, Minister, for coming today. You've been very generous with your time, not only today, in my opinion, but throughout the last four months. We're grateful for that. I do understand that you have to go.

The departmental officials are staying, Mr. McLean. Any further questions can be put to them.

• (1435)

**Hon. Seamus O'Regan:** Before I go, once again I'd like to say that I'm grateful to this committee for, I think, very reasonable and spirited debate and inquisition. Also, on other files, in a substantial way, we've been able to get things done. I appreciate the tone, the candour and the professionalism of the members of this committee.

Thank you.

**The Chair:** Thanks, Minister.

We can carry on. Next will be Mr. Simard and then Mr. Cannings.

We do have to vote on the main estimates and the supplementary estimates. We do have time. We can put more questions to the departmental officials if we want, or we can move right to the votes. I will leave that to members to decide.

Mr. Simard.

[Translation]

**Mr. Mario Simard:** Mr. Chair, I'd like to ask a quick question.

I don't know if Mr. Tremblay can answer me.

I've had numerous meetings with people in the forestry industry who have told me that, in their view, roughly \$100 million per year is set aside for the investments in forestry industry transformation program, IFIT, and that obviously the budgets allocated are not meeting demand.

In the budget, I see \$39 million earmarked for the IFIT program.

To your knowledge, is about \$100 million per year set aside for the program?

**Mr. Jean-François Tremblay:** We have several government programs. Indeed, we have more applications than projects receiving financial support.

However, I would submit to you that \$55 million was allocated to the program in the budget. That investment may not appear in the main estimates, but it will come later.

[*English*]

I can turn to Beth to give you more information about what we got.

[*Translation*]

**Mr. Mario Simard:** In the meantime, I'd like to point out that in Bill C-30—

[*English*]

**The Chair:** Who is going to take that?

[*Translation*]

**Mr. Mario Simard:** —which we are currently negotiating, the additional funds to the IFIT program are not there.

**Mr. Jean-François Tremblay:** Are you saying that the additional funds in the IFIT program are not there?

[*English*]

Beth, could you jump in?

**Ms. Beth MacNeil (Assistant Deputy Minister, Canadian Forest Service, Department of Natural Resources):** Thank you, Deputy.

The IFIT, the investments in forest industry transformation program, is oversubscribed every year, which is a positive signal that there's a need and a willingness to advance a bioeconomy. Our latest call for proposals was the largest envelope ever. It was launched May 12, with a total of \$120 million available. That includes the recent announcement of \$54.5 million in budget 2021.

[*Translation*]

**Mr. Mario Simard:** I want to point out that the cost of building a biorefinery, which would be the best solution to transform the forest industry, is about \$2 billion. The federal government has never provided adequate support for that type of initiative.

When I see that \$559 million, just shy of \$560 million, from the emissions reduction fund will go to supporting a sector of economic activity that produces greenhouse gases, GHGs, I'm a little puzzled. I don't understand what you are basing your decisions on when it comes to natural resources.

You have a sector that is very well positioned to reduce GHG production and that sector is starved for support. You have the worst GHG-producing sector and you reward it.

[*English*]

**The Chair:** You're going to have to get to the point, Mr. Simard.

[*Translation*]

**Mr. Mario Simard:** What does your department base these types of decisions on?

**Mr. Jean-François Tremblay:** With all due respect, we don't make decisions that lean one way or the other. It's not a matter of supporting forestry and not supporting other sectors.

We support each sector or initiative based on its value.

When it comes to forests and forestry, we're investing in forestry, we're investing in forestry innovation. We're now investing higher amounts than in the past.

With respect to the context you provided regarding the emissions reduction fund, it doesn't seek to increase methane production, but to remove it from existing production. It's a fund, as the minister said, that seeks to remove methane and reduce greenhouse gases. As long as Canada is a producer of oil, gas and fossil fuels, we need to make sure we have the cleanest fossil fuel in the world. That's what the fund does.

• (1440)

[*English*]

**The Chair:** Thank you.

[*Translation*]

**Mr. Jean-François Tremblay:** As I said, just with the first tender, we have an over 3-megaton reduction in greenhouse gases.

[*English*]

**The Chair:** I'm going to have to stop you there, Mr. Tremblay. Thank you.

[*Translation*]

**Mr. Jean-François Tremblay:** Thank you.

[*English*]

**The Chair:** Mr. Cannings, we'll go over to you.

**Mr. Richard Cannings:** Thank you. I'll finish with what will be a quick question, hopefully, on data. I want to thank the analysts by jogging my memory in their notes for this meeting.

As you may remember, Mr. Chair, in the last Parliament, we did a study on energy data because it was noted that energy data was very difficult to access in Canada—most of it came from the National Energy Board, and a lot of it was not very timely. You couldn't walk it across provincial boundaries, so most analysts ended up using data from the U.S. Energy Information Administration.

I now know there's the new Canadian Centre for Energy Information, led by StatsCan and NRCan. I'm wondering if someone could give me an update on where that project is. Are people using it? Is the data coming in as we, from the committee, wanted it to do, so that it is comprehensive, easily accessible and, most of all, timely? We were getting two-year-old data most of the time.

**Mr. Jean-François Tremblay:** The portal is up and running. I've been using it myself. It works very well. When I have discussions with stakeholders, including universities and so on, they all mention how useful it is to have such a tool. I don't have the numbers on how many people actually have accessed it and access it on a regular basis, but that's something we can do. Also, at some point, if the committee specifically wants a briefing on how to use it, what exactly is there and what we're thinking for the future, we would be more than pleased to do that. I'm sure our scientists and our data group would be more than pleased to brief the committee.

**Mr. Richard Cannings:** Thank you. That's all I have.

**The Chair:** All right. Thanks, Mr. Cannings.

I remember that study, and I am sure people are thinking “Boy, a study on data must have been really exciting”, which was my reaction when it was proposed, but it was actually very exciting and very interesting, believe it or not.

Mr. McLean, over to you.

**Mr. Greg McLean:** Thank you very much, Mr. Chair.

I am going to ask questions to the Canada Energy Regulator here, because the main estimates are increasing from \$71 million to \$97 million, and yet you have had an opening here where you've moved from Calgary to Ottawa. Is this a function of how—

**The Chair:** You're on mute, Greg.

**Mr. Greg McLean:** Sorry about that. Did I get cut off midway?

**The Chair:** You said “Is this a function”, and then it went off.

**Mr. Greg McLean:** Okay.

Is this a function of different costs in Ottawa versus in its previous home in Calgary? Is this a function of more consultants being involved with the Canada Energy Regulator? If you could you break out how much money we're paying in consultation fees to external organizations through the energy regulator, it would be much appreciated.

I also want to know about the mandate of the Energy Regulator, because it produced a report in November on the Trans Mountain pipeline that talked about potentially decreasing volumes in the future, going forward. I never knew that this was the Energy Regulator's mandate.

Who commissioned the report and who wrote it? Is the organization now a victim of regulatory capture by special interest groups?

If you could answer those questions, I think it would be really informative for the committee.

**Mr. Jean-François Tremblay:** The CER is an independent organization with its own CEO, and I respect that. Maybe you want to address these questions to her with regard to how they manage the organization.

However, on the report, and maybe on the funding we see in the main estimates, there is an adjustment. Most of the adjustment, to my understanding, is just money that they were normally getting through the supplementary estimates, which is now A-based, and so they're getting it through the main estimates—

**Mr. Greg McLean:** Actually, I'll correct you there, Mr. Tremblay. It has, in fact, been increasing ever since it moved to Ottawa, in the main estimates and the supplementary estimates. It's gone up to \$97 million this year from \$71 million last year and from \$56 million the previous year, so it's a continuous rise.

If there's nobody there to answer the question, let me go to the next question for you.

One thing that's gone down in these mains, of course, is contributions to support cybersecurity and critical infrastructure protection. Let me explain what happened, as I'm sure you know.

On the east coast of the United States, Colonial Pipeline was hacked. As we are spending less money now, obviously we're going to be open to some kind of hack here, potentially, going forward. This is all great in the rear-view mirror, but I'm going to suggest that perhaps we need our infrastructure looked after.

In that respect, when you think about a cyber hack, we've had a political hack of our infrastructure that goes from western Canada all the way to Sarnia, which provides 540,000 barrels a day of energy to Ontario. Why aren't we spending more money ensuring that, in fact, our agreement with the United States to honour the Transit Pipeline Treaty is respected by our trade partner? Why isn't that part of these main estimates?

● (1445)

**Mr. Jean-François Tremblay:** I'm not sure on this one. I'm not sure I follow you on the last question.

On cybersecurity, I can tell you that we are part of the Canadian cybersecurity strategy. Funding has been allocated to this for years.

We have worked with the U.S., of course, on cybersecurity in energy, and we have been very active in working with our colleagues, especially the utilities, on making sure that the grids and our infrastructure are actually as safe as possible. It is an area that we take very seriously. I can tell you that it is something, through our road map to renewal with the U.S. in terms of our partnership, that is actually at the centre of our discussions and will continue to be.

Our goal, as much as possible, is to have an integrated system that protects both sides of the border, to make sure that we do exercise simulations together, and that we make sure that the strategies and mitigation strategies are in place on both sides of the border—

**Mr. Greg McLean:** And here you're cutting. This is one area where you're cutting—

**Mr. Jean-François Tremblay:** I'm not sure—

**Mr. Greg McLean:** You don't have as much for cybersecurity as you did last year.

**Mr. Jean-François Tremblay:** I'm not sure we're cutting cybersecurity, and—

**Mr. Greg McLean:** You're spending less. How is that not a cut?

**Mr. Jean-François Tremblay:** I will turn to Mollie to explain.

**Ms. Mollie Johnson:** I think it's the way we've been able to spend the contribution agreements in our partnership and to conduct exercises with our partners. I think it's also important to note that this is part of the work that we are doing with other jurisdictions. It's about what our partners are able to do on the other side of the border in a specific period of time, but this is also one slice of the work that we do. We're also working with other partners in the federal system as one part of the government's critical infrastructure plan that's managed by Public Safety, and with other organizations and agencies too. So there's—

**Mr. Greg McLean:** We're beating around the bush here. Cutting it in half—

**The Chair:** I'm going to have to stop you there, Mr. McLean. Thanks.

I believe you're next, Mr. Serré. I can give you probably about three minutes.

**Mr. Marc Serré (Nickel Belt, Lib.):** Thank you.

**The Chair:** Then we're going to have to move to the votes.

**Mr. Marc Serré:** Thank you, Chair, for your generous time. That's good.

[*Translation*]

Mr. Lefebvre and I met with representatives from the Sudbury-based mining company Glencore. They told us about a partnership with CanmetMINING, which has labs in Ottawa, Hamilton and Sudbury.

Mr. Labonté, can you tell us more about the work CanmetMINING is doing in the sector?

[*English*]

**Mr. Jeff Labonté (Assistant Deputy Minister, Lands and Minerals Sector, Department of Natural Resources):** Thank you, Mr. Serré.

CanmetMINING is one of NRCan's science and technology laboratories. It's focused on mining and mining techniques and optimizing the approaches that reduce environmental impacts on mining. It also plays a particular role in regulating and certifying mining equipment that operates mostly underground to ensure the safety of the mining workplace.

We have a Canmet laboratory in Ottawa, one in Val-d'Or, one in Sudbury as well, and one that's co-located in Hamilton with our materials laboratory that does metals lightweight research.

Our programming in CanmetMINING has been focused for a number of years on a number of key deliverable areas. One is about mining value from waste: taking mining operations that exist where there are waste residuals and waste rock and trying to produce commercially viable processes that can then extract minerals from those. There are immense numbers of critical minerals that are available in waste materials. Those materials were previously not particularly useful or seen as commercial, yet now they're a source of potential value. That extends right into the tailings that we see in sectors, including the oil sands sector in Alberta and Saskatchewan and in the work we do across the country.

At the same time, CanmetMINING has been working on rare earths and chromite. We're just concluding a six-year research agenda, in which there was over some \$40 million spent on developing mining techniques for rare earths and rare earth elements. These are particularly interesting now in the critical mineral space, in that they're in demand for batteries, magnets and other things that go into electric vehicles and advanced clean energy activities. We're now moving into areas around hydrogen and using hydrogen in the mining processes and looking at energy efficiency as well.

CanmetMINING is one of our jewels of our research community that does the science and tech. The research is generally done in partnership with industry. The industry usually has the research problems and the research challenges or a particular technique that they're trying to develop, and our scientists work directly with industry and with the university communities to develop those new techniques.

• (1450)

**Mr. Marc Serré:** Thank you.

I'm looking forward to that expanding as much as we can too.

I don't know if I have much time, Ms. Johnson, but I wanted you to expand on our government's role on nuclear. We've done quite a few enhancements there in the budget. I just wanted to see if you could expand quickly on our commitment to nuclear.

**The Chair:** It's a broad question, but if you can answer it quickly, I would be grateful.

**Ms. Mollie Johnson:** Let me see what I can do.

Thank you very much.

I will just say that the government has a long history with nuclear. A number of our Nobel Prizes in Canada come from nuclear. We also have committed to using it for peaceful purposes, and it provides a big part of our non-emitting power within Canada.

With the SMR action plan that was released, it demonstrates one of the pathways that we're considering as Canada looks to the future and opportunities for decarbonization of our energy system.

As Mr. Cannings noted earlier, there are the other parts that we're looking at as we move forward, namely the radioactive waste policy and nuclear compensation liability. It's part of a balanced package as we move forward on nuclear.

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

Thank you, Mr. Serré.

Thank you to all of our witnesses. We're going to move to the votes on the main estimates and the supplementary estimates. You of course are welcome to stay and witness this historic occasion if you want to.

We can do this in one of two ways. We can do the mains and the supplementaries together; that is, if there is unanimous consent, we can vote on all of the individual motions collectively. We can do the mains separately and the supplementaries separately, or we can do them all together in one sweeping motion, which would be more efficient, obviously.

Does anybody object to doing it collectively? No? Okay. Great. Thank you.

Shall the votes referred to the committee in the main estimates and the supplementary estimates (A) carry?

**Mr. Greg McLean:** On division.

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

ATOMIC ENERGY OF CANADA LIMITED

Vote 1—Payments to the corporation for operating and capital expenditures.....\$1,188,799,417

(Vote 1 agreed to on division)

CANADIAN ENERGY REGULATOR

Vote 1—Program Expenditures.....\$97,322,173

(Vote 1 agreed to on division)

CANADIAN NUCLEAR SAFETY COMMISSION

Vote 1—Program expenditures.....\$41,081,316

(Vote 1 agreed to on division)

DEPARTMENT OF NATURAL RESOURCES

Vote 1—Operating expenditures.....\$694,982,982

Vote 5—Capital expenditures.....\$13,629,040

Vote 10—Grants and contributions.....\$1,254,135,315

(Votes 1, 5 and 10 agreed to on division)

NORTHERN PIPELINE AGENCY

Vote 1—Program expenditures.....\$540,000

(Vote 1 agreed to on division)

DEPARTMENT OF NATURAL RESOURCES

Vote 1a—Operating expenditures.....\$22,540,739

Vote 5a—Capital expenditures.....\$700,000

Vote 10a—Grants and contributions.....\$326,935,035

(Votes 1a, 5a and 10a agreed to on division)

**The Chair:** Shall I report the votes back to the House?

**Some hon. members:** Agreed.

**The Chair:** Great, thank you.

Madam Clerk, unless I'm mistaken, I believe that takes care of all of our business.

Okay. That was efficient.

Thank you, everybody. Have an enjoyable Friday. I'm going to go home and hopefully not have to shovel my driveway.

I will see everybody on Monday. Enjoy the weekend.

Thanks again to all of our witnesses for your time.





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