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Chair: Mr. John Aldag



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• (1305)

[English]

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

Welcome to meeting number five of the House of Commons Standing Committee on Natural Resources. Pursuant to Standing Order 108(2), the committee is continuing its study of a greenhouse gas emissions cap for the oil and gas sector. Today is our second day of eight meetings with witnesses for this study.

Today's meeting is taking place in a hybrid format pursuant to the House order of November 25, 2021. Members are attending in person in the room or remotely using the Zoom application. Please note that the webcast will always show the person speaking, rather than the entire committee. I would like to take this opportunity to remind all participants that screenshots or taking photos of your screen is not permitted. Today's proceedings will be televised and also made available via the House of Commons website.

Given the ongoing pandemic situation and in light of the recommendations from public health authorities as well as the directive of the Board of Internal Economy on October 19, 2021, to remain healthy and safe the following is recommended for all those attending the meeting in person.

Anyone with symptoms should participate via Zoom and not attend the meeting in person. Everyone must maintain two-metre physical distancing, whether seated or standing. Non-medical masks are required to be worn in committee rooms and may only be removed when the member is seated in their place during the meeting and is speaking. It is strongly recommended that members wear their masks at all times, including when seated. Non-medical masks are available in the room, and they provide better clarity over cloth masks with respect to our interpreters being able to hear our interventions. Everyone present must maintain proper hand hygiene by using the hand sanitizer at the room entrance. Committee rooms are cleaned before and after each meeting. To maintain this, everyone is encouraged to clean surfaces such as the desk, chair and microphone with the provided disinfectant wipes when vacating or taking a seat.

As the chair, I will be enforcing these measures for the duration of the meeting, and I thank the members in advance for their cooperation.

To ensure an orderly meeting, I would like to outline a few quick rules.

Interpretation services are available for this meeting. You have the choice at the bottom of your screen of either THE floor, English or French. Members and witnesses may speak in the official language of their choice. For our witnesses, I would ask you when you're giving your testimony to not go too quickly to allow our interpreters to keep up.

For the members in the room, if you wish to speak, please raise your hand, and the clerk and I will do our best to keep track of the speaking order.

For the members on Zoom, please use the "raise hand" function, and you will be placed in order. As I'm sure you can all appreciate, this can be a challenge, but the clerk and I will do our best to make sure that the order of hands going up is respected and followed. Before speaking, please wait until I recognize you by name. If you are on Zoom, please click on the microphone icon to unmute yourself. For members in the room, your microphone will be controlled as usual by the proceedings and verification officer. When you are not speaking, your mike should be on mute.

I will remind you that all comments by members and witnesses should be addressed through the chair, and I would like to thank Mr. Barlow for joining us today as one of the substitutes for today's committee.

We are on the study of a greenhouse gas emissions cap for the oil and gas sector. I'm going to welcome our witnesses from the Net-Zero Advisory Body, Marie-Pierre Ippersiel and Dan Wicklum, who are co-chairs.

I would like to thank Mr. Wicklum in particular, who I understand had some technical problems on Monday but went to extraordinary efforts to get himself to a new location where the tech check was able to be successfully completed. He found the House-approved headset and is able to join us on very short notice. I really appreciate both of your accommodating our rescheduling from Monday and being here so quickly after we had the technical issues on Monday. Thank you so much.

I'm going to invite you to give your five-minute opening comments and then we'll get right into our rounds of questions and answers. We will be ending today at 2 o'clock so that everyone can join question period. With that, I will get you started.

I'll also say that we use a quick card system. A yellow card means that there are 30 seconds left. That means the time is up and you can wind up your thoughts. I'll let you know if you go too much beyond the allotted time.

Mr. Wicklum and Ms. Ippersiel, it's over to you for five minutes, please.

• (1310)

[*Translation*]

Ms. Marie-Pierre Ippersiel (Co-Chair, Net-Zero Advisory Body): Mr. Chair, Madam Vice-Chair, Mr. Vice-Chair, and distinguished members of the Standing Committee on Natural Resources, we are very pleased to have been invited as witnesses for your study on a greenhouse gas emissions cap for the oil and gas sector.

As you probably know, the Net-Zero Advisory Body was created in 2021. The group is made up of 11 individuals from all regions of Canada, and all with diverse and established expertise in a range of fields.

Our mandate under the Net-Zero Emissions Accountability Act is to provide the Minister of Environment and Climate Change with independent advice on the most likely pathways for Canada to achieve net-zero emissions by 2050. We will also explore the building blocks and plans for reducing emissions leading to 2050.

Last July, we released our first publication, with the title “Net-Zero Pathways: Initial Observations”. The document identifies 10 key values and design principles that we believe should guide the development of transition pathways that are the most likely to lead Canada to achieve net-zero by 2050. By following these values and principles, Canada can not only achieve net-zero greenhouse gas emissions by 2050, it can also create a fairer, healthier and more prosperous future for all Canadians.

It is interesting to note that, as a general rule, those whom we have met support these values and principles. They may therefore be of use to the committee in its deliberations on net-zero issues.

[*English*]

Mr. Dan Wicklum (Co-Chair, Net-Zero Advisory Body): Thanks, Marie-Pierre.

We'd also like to flag for the committee that we organize the work along four lines of inquiry, which is the term used in our terms of reference. You can think of the lines of inquiry as our priorities. Our four priorities, or lines of inquiry, were oil and gas, transportation, buildings, and governance. The Net-Zero Advisory Body worked on these priorities throughout the past summer and fall.

As members of the committee are likely aware, in November, 2021, we also received a letter from the Minister of Environment and Climate Change and the Minister of Natural Resources, in which they jointly tasked us as an advisory body to give advice on key guiding principles that the government could use to inform their development of quantitative five-year targets for emissions reductions in the oil and gas sector.

We accepted this task considering that it aligned completely with the act that brought us into being and our terms of reference.

Also, as engagement is central to our mandate, we reached out to sector and scientific experts, to decision-makers, broadly to Canadians, business and industry, as well as to different types of other organizations and associations, including those representing workers

and indigenous peoples, to inform our development of guiding principles.

During this engagement, we participated in discussions and briefings with industry leaders, labour groups, indigenous representatives and environmental experts. We received over 1,200 comments and submissions, including from provinces and territories, and we hosted seven round tables with nearly 60 participating organizations.

This engagement took place across all four of our advisory body lines of inquiry, but most submissions reflected on Canada's broader pathways to get to net zero and the implications for the energy sector, specifically the oil and gas industry. This engagement will inform our submission to the Government of Canada, which will be taken into account as the government develops its 2030 emissions reduction plan as required under the act. The Net-Zero Advisory Body is in the process of finalizing its advice for the emissions reduction plan, including guiding principles for setting quantitative emissions reduction targets.

We'd be pleased to share our final advice with members of the committee at the earliest opportunity.

Marie-Pierre and I, on behalf of the whole NZAB are pleased to have been invited to meet with you and look forward to contributing to your deliberations.

Thank you, Mr. Chair.

• (1315)

The Chair: Excellent, and thank you for those opening comments.

We're going to get right into our rounds of questions and answers.

For the first round, each of the participating members will have six minutes.

First up is Ms. Michelle Rempel Garner. We'll go to you for your six minutes.

Hon. Michelle Rempel Garner (Calgary Nose Hill, CPC): Thank you, Chair.

Will the proposed cap exempt new oil and gas projects now under way?

Mr. Dan Wicklum: That type of question is actually outside of the purview of the Net-Zero Advisory Body. Our job is to come up with key guiding principles to allow the Government of Canada to set the cap and, frankly, to determine the regulatory regime about how to administer that cap—

Hon. Michelle Rempel Garner: As a guiding principle, do you believe that new oil and gas projects currently under way should be exempt from the cap?

Mr. Dan Wicklum: We're actually not interpreting our role as getting into that level of detail. We're interpreting our role to the letter of the tasking letter, and we are interpreting our role about emissions, not about production levels or new facilities or older facilities. It's really how would the government come up with a number in terms of carbon equivalence—

Hon. Michelle Rempel Garner: Thank you.

Would your guidance be to exempt reserves that are proven and on company books?

Mr. Dan Wicklum: Again, that's a level of detail that we think is outside of our purview, and that would be up to the government to determine the specific regulatory regime about what's in and what's out. Our job is really to help them come up with a number about the cap, and a number, like what would a carbon equivalent emission level—

Hon. Michelle Rempel Garner: If you're not giving guidance on those things, how can we be sure that this is a cap on emissions and not production?

Mr. Dan Wicklum: Well, again, I think you should refer that question to the government. It's their job—

Hon. Michelle Rempel Garner: If this is your job, just to be clear, do you believe that this should be a cap only on emissions and not on production?

Mr. Dan Wicklum: Absolutely, and I think we're taking our direction from the minister on that. The minister has been quite clear that he does not see this as a cap on production. It is a cap on emissions.

Hon. Michelle Rempel Garner: So you've given no advice or guiding principles on the questions that I asked earlier with regard to reserves that are proven on the books or approved oil and gas projects that might not have started yet. Has there been any guidance on those things at all?

Mr. Dan Wicklum: That's a level of detail that really the government has to sort through. Our principles would be at a higher level than that.

Hon. Michelle Rempel Garner: Do you think that, in terms of principles, announcing the cap without giving guidance on those things might lead to instability for investments in the oil and gas sector?

Mr. Dan Wicklum: That's another question that I think you'd have to ask the investment community about, whether they consider giving preliminary guidance as policy certainty or preliminary—

Hon. Michelle Rempel Garner: I thought you consulted with them. Did they tell you that?

Mr. Dan Wicklum: We didn't get into that level of detail at all. I think—

Hon. Michelle Rempel Garner: That's really unfortunate.

I'll move on.

Is your guidance giving any credence or room for complementary measures like carbon capture and storage or direct air capture?

Mr. Dan Wicklum: Again, we don't get into the details. We're really trying to leave our guidance at the strategic level. However, I can say that we feel that carbon capture and storage is probably a very, very important technology for the world to get to net zero, let alone—

Hon. Michelle Rempel Garner: But that wasn't provided as part of your guidance. Do you provide any guidance on perhaps regulating, if we're proposing a cap on the oil and gas sector, and simultaneously proposing caps on other emitting sectors—like concrete,

for example—in order to have equilibrium or a more cohesive approach to industrial emissions in Canada?

Mr. Dan Wicklum: Again, our specific task is about coming up with principles that the government uses to set targets forward for the oil and gas sector.

I can tell you, though, what we have found. It's very difficult to do that in isolation, so coming up with a target number for emissions for the oil and gas sector really needs to take into account other measures—

• (1320)

Hon. Michelle Rempel Garner: Thank you.

Did you provide any guidance on what types of substitute goods would be needed to achieve the reductions as part of your guidance for the oil and gas sector? Or let's say—

Mr. Dan Wicklum: Could you explain “substitute goods”?

Hon. Michelle Rempel Garner: I'm just thinking, for example, if we're moving off oil and gas, of perhaps other products that could be used. I'm just trying to get a sense, because you haven't really told me what.... There are a lot of questions here that industry and the environmental community have on what guidance you've been providing, and I've just heard over and over again that you haven't provided that guidance, so maybe I'll try to structure my questions more on some of your modelling that you've used.

Has any of your guidance accounted for potential carbon leakage, so that by regulating or putting a hard cap on Canada's oil and gas sector we would be displacing that product or that production to other higher carbon-emitting jurisdictions?

Mr. Dan Wicklum: The one thing that I'll just clarify here is that most of your questions are looking for a degree of resolution that we're not interpreting as being in our task. Our thinking is at a higher strategic level—to really make sure that the government has the responsibility to set the target. It's not our job to set the targets.

Hon. Michelle Rempel Garner: So what would you say you need to do?

Mr. Dan Wicklum: It really needs to be elected officials.

Hon. Michelle Rempel Garner: What is it that you would say—

Mr. Dan Wicklum: I'll answer—

Hon. Michelle Rempel Garner: —that you've done?

Mr. Dan Wicklum: I'll answer your last question here about carbon leakage. One thing that we're quite adamant about as an advisory body is sticking to our mandate as it was given to us in the act and in the terms of reference. Our mandate—

Hon. Michelle Rempel Garner: So you've provided a level of—

[Translation]

Mr. Mario Simard (Jonquière, BQ): A point of order, Mr. Chair.

I am sorry, I do not want to slow Ms. Rempel Garner down when she is on a roll, but she really goes very fast and I feel that it makes the interpreters' work impossible. At the moment, I cannot follow the discussion.

I do not want to slow Ms. Rempel Garner down. I know she is passionate. But if she could leave a little gap between the comments, so that the interpreters can do their job, I am sure that they would appreciate it.

[*English*]

The Chair: Okay. Thank you, Mr. Simard, for your intervention. I would encourage people to allow each other to finish before starting, because otherwise it is impossible for the interpreters to do their jobs and provide the translation.

Unfortunately, I do have to cut you off here. That is the end of the six minutes. Thank you for the first round.

We're going to jump right now to Ms. Dabrusin, who will have six minutes for her questions.

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

Thank you to the witnesses for being here.

I want to go back to the net-zero pathways report that was put out and ask some questions about net zero and what's included and what isn't. Principle number four was don't get caught in the net. I wonder if you could help me better understand where you're going with that in terms of the net and net zero.

Mr. Dan Wicklum: My apologies, Mr. Chair and Mr. Simard. I will speak more slowly to allow translation to keep up.

One of the things we found when we produced our first report—and here I'll add an important qualification. We produced a report after meeting with 14 groups or organizations from around the world that had already produced a full society pathway to net zero. So instead of starting from scratch on our work to give the government advice, we and the government thought it prudent to meet with groups that had already done this. We met with 14 groups, and instead of summarizing the work of those 14 at a very detailed technical level, we decided to draw emergent conclusions in the form of values and principles that would guide our future work. These 10 values and principles are not really the Net-Zero Advisory Body's work; they are the emergent observations of the work of the 14 groups globally.

The concept of not getting caught in the net reflects their equation of net zero. Net zero does not mean zero. Net zero occurs when you have emissions going into the atmosphere and you subtract emissions coming out of the atmosphere whether through natural removal or technological removal. Those are very legitimate tools to use to get to net zero. However, one risk we feel that governments, societies, sectors and companies should be extremely aware of is that there will be a tendency for people not to want to change underlying emitting systems and to instead rely on removals. We feel that is not a recipe for success to get to net zero and that the concept of removal, the netting part of the equation, should be reserved for the absolutely most difficult emissions to reduce to zero. To put it another way, all of us should be pushing hard to reduce our emissions as much as we possibly can and reserving removal technologies for the most difficult emissions the closer we get to 2050.

• (1325)

Ms. Julie Dabrusin: Thank you.

I was going to also say that I think the issue for interpretation was more the speaking over each other and not the speed at which we're speaking. I didn't want to interrupt you, but you can speak at a regular pace.

Ms. Julie Dabrusin: What we're talking about when we're saying "net zero" and what's included from the IPCC standards did come up at our last committee meeting. For example, if we're producing oil here, the emissions from that production are included in our emissions that we calculate for our country. If it is exported and used in a different country, does that get included?

Oh, no. Now I don't hear you, Mr. Wicklum.

Mr. Dan Wicklum: Okay.

The Chair: We're not hearing you, Mr. Wicklum.

[*Translation*]

Ms. Marie-Pierre Ippersiel: Perhaps I can step in.

Ms. Julie Dabrusin: Yes, of course; I would be happy for you to do that, Ms. Ippersiel.

Ms. Marie-Pierre Ippersiel: Canada's commitment to net-zero will certainly include all greenhouse gases. But it will also be limited geographically to the emissions generated in Canada, in all sectors, not only in oil and gas.

We must remember that this conforms to international standards of measuring GHGs, requiring each country to account for the emissions produced within its borders. Emissions from exports that produce GHGs are accounted for in the country that uses them. I don't know whether that answers your question.

Ms. Julie Dabrusin: Yes, that is exactly what I wanted to know.

Thank you very much.

Ms. Marie-Pierre Ippersiel: Okay.

Ms. Julie Dabrusin: I know that I do not have a lot of time left, but I would like to ask another question. In your opinion, can border carbon adjustments play a role in achieving net-zero emissions?

Ms. Marie-Pierre Ippersiel: I will let Mr. Wicklum answer that.

Ms. Julie Dabrusin: I hope he will be able to.

[*English*]

Mr. Dan Wicklum: Can you hear me now?

Ms. Julie Dabrusin: Yes.

Mr. Dan Wicklum: We're here testifying on behalf of our very formal role as the Net-Zero Advisory Body. At this point, the Net-Zero Advisory Body has not delved into the specific regulatory or policy implementation regime for an emissions reduction plan, so I wouldn't feel comfortable speaking to that. We simply haven't dealt with it at this point.

The Chair: That's the end of that round.

Ms. Julie Dabrusin: That's what I thought.

The Chair: Okay.

We're going to go now to Monsieur Simard, who will have six minutes.

It's over to you, Monsieur Simard.

[*Translation*]

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

I have three or four concerns and I would like to hear what Ms. Ippersiel and Mr. Wicklum have to say about them.

I am having a little difficulty grasping the principle that we have to focus only on capping emissions. I don't understand how the oil and gas sector can increase production and manage to achieve net-zero emissions. However, the government seems to want to focus simply on capping emissions.

Could you talk about that first? Then I would like to ask you about the technologies that will be used to cap those emissions.

• (1330)

[*English*]

Mr. Dan Wicklum: I'll take that question.

I think it's important to remember that oil and gas—especially oil, but gas as well—are used for providing products, developing products or providing services, frankly, other than fuels that are combusted in an internal combustion engine or a turbine, which result in scope 3 emissions, the emissions that go into the atmosphere, which is the problem of why our planet is heating up.

I'll take oil sands for an example. Bitumen is used for asphalt, so we're actually going to need heavy oil production in a net-zero world. Even EVs and hydrogen trucks need roads.

There are other products that are made out of oil that are frankly not emitting, so I think it's very valid for an oil sector to drive itself to have zero emissions in its production.

[*Translation*]

Mr. Mario Simard: Thank you, Mr. Wicklum. I would like to steer you towards my second concern.

You talked about petroleum being used for a whole host of products that we use every day. I am perfectly aware of that. However, we now know that many petroleum-based products can be replaced by lignin, for example, which comes from biomass. We know that it comes at a cost. That is actually why the bioeconomy is not fully developing. The cost is a little too high.

What I find offensive is the way in which billions of dollars are being invested. Let me just give you the one example of the carbon

capture strategy in Alberta, which will cost \$2.5 billion, of which 57% will come from the governments of Alberta and Canada. That money is not being used for research and development in sectors that have a small carbon footprint to start with.

I find that the logic being used is a little absurd. We are actually investing money and doing research and development in the quest to decarbonize the worst sector of activity in Canada. Meanwhile, we are not supporting sectors of alternative economic activity that could provide a solution that would considerably reduce Canada's carbon footprint.

Do you agree with me on that?

[*English*]

Mr. Dan Wicklum: I would answer by saying that very formally, under the act, the job of the Net-Zero Advisory Body is to advise on interim targets and the most likely pathways to net zero. It's about emissions. If there are ways for us to use our whole suite of natural resources, from agriculture or oil and gas, in ways that are fully compatible with a net-zero society, we think those are legitimate options. Again, for us this is not about making sure no oil and gas is produced; it's absolutely about making sure we have an economy in 2050 that is net zero so that we will be contributing to our international commitments.

[*Translation*]

Mr. Mario Simard: That is not what I am saying. I understand the basis for your mandate, but, if the objective of your mandate is to reduce GHG production, your only goal cannot simply be to decarbonize petroleum. There would be no logic to that. I see an overriding principle, and I would like to hear what you have to say about it.

An overriding principle in ecology is “polluter pays” not “polluter paid”. What you are proposing implies that new clean-energy technologies will take longer to arrive because all the government's resources are going to be invested in decarbonizing petroleum. I cannot see the logic in that.

I understand from your answer that this is not part of your mandate. Am I putting words in your mouth or is that more or less what you wanted to say?

[*English*]

Mr. Dan Wicklum: One of the issues here is the policy and regulatory provisions that need to come into place for all sectors to drive their emissions down as low as they can. The government also, frankly, has to start with the extremely difficult question of how their incentive structure should be set up. If they have limited government resources, which they do, where are their investments and incentives best placed across the full suite of emissions reduction strategies for every sector?

I'll just note again that much of what we're talking about here are emissions associated with oil and gas production, but most of the emissions that are associated with the oil and gas, the full value chain, come from Scope 3. They come from burning them, especially through heating buildings and moving goods around the landscape using internal combustion engines. So the government has to—

• (1335)

[*Translation*]

Mr. Mario Simard: It is a vicious circle because, we know—

[*English*]

The Chair: I'm sorry, Monsieur Simard, but we're out of time for this round.

We have only one hour, and I want to make sure everybody gets their chance.

[*Translation*]

Mr. Mario Simard: Thank you for your answer, Mr. Wicklum.

[*English*]

The Chair: Thank you.

Mr. Angus, it's over to you for your six minutes.

Mr. Charlie Angus (Timmins—James Bay, NDP): Thank you so much.

For me this is perhaps the most important study I've ever been involved in, because we're talking about the future of the planet and the clock is ticking.

You were established—in February 2020, was it?—by legislation to advise the environment minister on acting early and urgently. When did you begin discussions with the environment minister on the establishment of an emissions cap and what it would entail?

Mr. Dan Wicklum: Actually we were launched in early 2021, but the act that actually made us real was only brought into place in the late summer.

Mr. Charlie Angus: Okay.

Mr. Dan Wicklum: Having said that, we have been in operation since early 2021.

The first time that we started thinking about a concept of cap and successively stringent targets was when we received the letter from both ministers. That's what kicked off this work.

Mr. Charlie Angus: Thank you. That's excellent to know, because I have that letter here dated November 1. Ministers Guilbeault and Wilkinson formally asked you to consider an emissions cap. That's the same day that the Prime Minister stood up and told the world that he had an emissions cap.

I find that kind of extraordinary. I hate that expression about writing things on the back of a napkin, but couldn't the minister at least have called you from the airport before he went? I mean, the Prime Minister stands on the world's stage and says there's an emissions cap plan, and they had never bothered to ask you to look into it. Don't you think that raises questions about our credibility?

Mr. Dan Wicklum: Bluntly, no.

Mr. Charlie Angus: No?

Mr. Dan Wicklum: I think that when you take a look at our terms of reference, you see that it says we are to “advise the government on numerical targets”.

Mr. Charlie Angus: Okay. I'm reading this, and it says that they're asking you to prioritize early and deep reductions. This is as serious as it gets.

You're mandated to prioritize early and deep reductions at a time when the Prime Minister is standing on the world's stage saying he's got an emissions cap, and he hasn't talked to anybody about it. At the same time, we have the Canada Energy Regulator promoting an increase of 1.2 million barrels a day coming out of the oil sands.

How do you square that? You're going to be pushing for deep reductions while the government you're working for is promoting massive increases in the oil sector.

Mr. Dan Wicklum: I would say that the sequence of operations went like this.... I'll start by qualifying—

Mr. Charlie Angus: I'm sorry. I don't want to be rude, but I don't have much time.

Mr. Dan Wicklum: Yes.

Mr. Charlie Angus: I'm not interested in the sequence. I'm interested in the policy conflict.

How do you push for these early and deep reductions while the government you're working for is telling the world that they're going to be looking to at least a massive increase of over a million barrels a day? What do you say to that?

Mr. Dan Wicklum: First of all, it's not our job to decide whether or not Canada is going to have a cap. That's the government's job. They did that, and now they're asking for our advice to help put the cap in place. That's completely consistent with the act and our terms of reference—

Mr. Charlie Angus: Okay. Your act is also telling you not to allow for increases in GHG emissions. Don't you call the minister and say, “What the heck are you guys doing promoting a 1.1 million-barrel-a-day increase?” That is contradictory to your mandate, is it not?

Mr. Dan Wicklum: Well, look, I would say that the Canada Energy Regulator is a Crown corporation. I mean, it's actually not the government. They have their own independent board and their own independent management.

Mr. Charlie Angus: They do.

Mr. Dan Wicklum: Yes. I do know.... I'd have to talk to the government, but I do know that the minister has messaged them quite strongly. The minister wanted the Canada Energy Regulator to align its operations and philosophy to a net-zero 2050 outcome. I know that is happening as we speak.

Mr. Charlie Angus: Okay. That's good to know, because you said to my colleague that you weren't looking at whether new projects would be under the cap, but the International Energy Agency, hardly a hotbed of radicalism, is saying that there should be no new oil and gas if we're going to meet our targets.

Is that something in line with you? If your mandate is to not allow for increases in greenhouse gas emissions, how is it that you don't look at the new projects coming on and at least be under the cap or, like what the IEA is saying, whether they should be allowed at all?

• (1340)

Mr. Dan Wicklum: Again, I think that's a degree of resolution that is not aligned with our mandate, but the government is going to have to struggle with that. If there's a cap, what is it, and what are the implications for existing or new projects underneath the cap? That's the government's responsibility.

We are interpreting our terms of reference and our task as providing guidance on a higher strategic level and leaving those types of decisions to government.

Mr. Charlie Angus: I'm looking at this thing here that's really reassuring Canadians. You guys are going to be prioritizing early and deep reductions. I'm trying to figure out where these early and deep reductions are happening.

I want to go to the other principle that this Liberal government is working on and that you seem to support.

The emissions that are coming from our offshore sales of oil and gas are more than all of the emissions made in all of the sectors of Canada combined. When we add the TMX pipeline, which is designed for export, 900,000 more barrels will be exported. You don't think that has to be considered if we're going to look at actually saving the planet? That's somebody else's problem...?

Mr. Dan Wicklum: I need to be clear on this. We don't have an opinion on that—

Mr. Charlie Angus: You don't have an opinion on that?

Mr. Dan Wicklum: —because it's outside of the purview of the act that makes us real. It's not in our terms of reference—

Mr. Charlie Angus: This would be a great discussion in 2006, but what the IPCC is saying is that the planet is burning.

We have a government that is going to massively increase exports to places like China or India where this will be burned. Your job is to warn the government to prioritize early and deep reductions and make sure that we don't have greenhouse gas emissions. They are exporting upwards of a million barrels overseas so it can be burned there.

Don't you think that you have at least the moral obligation to warn the government and to say, "Come on, guys, you can't pull this kind of stuff and meet our obligations on the international stage"?

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

I'm sorry, but I'm going to have to cut it off there. If Mr. Angus wants to come back to that, we should get back to him one more time.

Right now, we're going to move into our second round. It's slightly shorter.

Mr. Melillo is first up with five minutes.

Mr. Eric Melillo (Kenora, CPC): Thank you very much, Mr. Chair.

I'd like to go back to Mr. Wicklum and pick up on a question asked by my Liberal colleague Ms. Dabrusin. Perhaps I misinterpreted your answer, and correct me if I am wrong, but I'd like to get a bit of clarity there.

In talking about how we measure net zero, you mentioned there are the natural forests we have that are sequestering carbon; you mentioned the removal technologies that we have, which are great, but as I understood it—and of course I'm paraphrasing—you were saying that you see those technologies as something later down the road that we can rely on if other measures don't work.

From my point of view, we want to lower emissions as quickly as we can. We want to lean on all the technologies we have and develop those technologies, so why would that not be something we would look at using right away? I just want to get your comments there.

The Chair: We're not getting you, Mr. Wicklum. I'll stop the clock now.

Mr. Eric Melillo: I can't hear him.

The Chair: You're good now.

Mr. Dan Wicklum: There's a nuance here. When you take a look at our principle, in our summary report, about not getting caught in the net, we are concerned that people will start using removal technologies as an excuse to delay action or as an excuse not to reduce emissions, and we are adamant that a successful pathway to net zero is going to have to rely on deep actual emissions reductions and minimal reliance on—

Mr. Eric Melillo: I understand that, but if we don't use these technologies, are we not delaying action? We're not going to use removal technology to lower emissions because you want to lower emissions using another way, but, if we're not doing that, why would we not use those technologies?

Mr. Dan Wicklum: Again, how do you lower emissions? Using removal technologies should be, we think, reserved for the most difficult-to-remove emissions. If we focus on removal technologies now, we are quite concerned that will de-emphasize or take focus away from the very difficult job of actually reducing emissions.

That is our very strong opinion, which is why we put it as one of the key principles. These are legitimate technologies—

Mr. Eric Melillo: Okay.

Mr. Dan Wicklum: —or approaches, but they cannot be used as an excuse to delay action, and they cannot be used as an excuse to not actually reduce emissions.

Mr. Eric Melillo: Thank you for that. I would certainly disagree with you on that, but I understand where you're coming from.

I have a lot of topics I'd like to get to, so I'll move to another one.

In terms of looking at new technologies, whether solar, wind or a number of things that we're working on, obviously critical minerals are going to play an important role there. These are important for my riding. The Ring of Fire is a notable example there of areas where we can access critical minerals.

Would you recommend that Canada have a broader focus on domestic extraction of critical minerals to help support that transition?

• (1345)

Mr. Dan Wicklum: If I may bridge that question back into our original summary report, one of the key things we found was that this concept of getting to net zero is not just a downside. This is probably one of the largest economic opportunities in many generations, and you can see the whole world positioning themselves with regard to how to win economically in this big change. There are huge upsides that we need to position Canada to be able to capitalize on.

We have thought about the concept of value chains and minerals, and we do think that it's very important for Canada to act quickly and strategically in order to be able to capitalize on this potential upside that will only become real if we act.

I think the private sector has a very strong responsibility in this as well.

Mr. Eric Melillo: Okay.

Mr. Dan Wicklum: One of our core principles is that people have been waiting for 30 years for the federal government to do something so that they could act. We're past that. Responsibility needs to be shared equally by the private sector, the federal government, the provincial governments and municipal governments.

Mr. Eric Melillo: Thank you.

Mr. Dan Wicklum: That's a key finding—

Mr. Eric Melillo: Thank you.

Mr. Dan Wicklum: —that we will be putting in our emissions reduction report.

Mr. Eric Melillo: I appreciate that. I'm sorry, but I have limited time. I don't mean to be rude, but I want to get as many questions in as I can.

I'd like to take it a bit away from industry and look at local, individualized community-based solutions and get your thoughts on those. For example, Fort Severn in my riding is the northernmost community in Ontario. It's on Hudson Bay. They're doing a lot of great work to find innovative solutions, using solar power and looking at wind.

I'd just like to get your thoughts on the role that the government can play and should play in supporting those community-based solutions as well.

Mr. Dan Wicklum: I think government has a critical role. Creating policy, certainly, is what the finance sector continuously says it needs. One of our principles also though was that there's actually more certainty than uncertainty. We know we are going to need massive electrification. That's key. We know we're going to need probably different energy carrier sources to move everything that's around the landscape. So policy certainty that will allow the finance sector and the private sector to act quickly is very important.

Governments also have a role in direct support, and we think that our work, which we feel will feed into the ERP, will give the government some guidance on where across the full economy the government support is most needed. In many cases it is on the types of things remote communities would need to do.

[Translation]

Ms. Marie-Pierre Ippersiel: If I may, I will add that acknowledging regional differences and circumstances is one of our values. So solutions proposed at local levels will be very important.

[English]

The Chair: Okay, we're going to cut off that one.

Our next questioner is Ms. Lapointe.

Over to you, Ms. Lapointe. You have five minutes.

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

Mr. Wicklum, in your initial observations report that was issued last June, you stated:

The most likely pathways will take into account that there is no one-size-fits-all approach for Canada and prioritize place-based solutions.

I'd be interested in hearing your suggestions today on how the government should create and, actually, also implement effective regionally sensitive policy.

Mr. Dan Wicklum: I think what you're stating is one of the great challenges for Canada. If we were in Europe, we would probably be 10 countries or more, based on regional differences, so this is one of the great challenges for a large country like ours.

In the emissions reduction plan that the government legally has to put in the public domain before the end of March, we expect the government will have more details in terms of how that will be done. I think one of the key things that, in our terms of reference, we are asked to do and we're taking very seriously is to engage. So we are here not to be the technical experts. We are here to essentially represent Canada in its full diversity and then to talk to Canadians in their full diversity and get regional and local suggestions about how to actually address the question you're asking. That's the mechanism we're using, and as we develop over the years, we think we can get much more formal in doing that work. But how do we accommodate regionality and local interests? We talk to the regions and talk to local interests. That's key for what we want to do.

• (1350)

Ms. Viviane Lapointe: On that note, were indigenous climate organizations included in your consultations, and what did you learn from them?

Mr. Dan Wicklum: We had eight round tables that included a whole suite of indigenous organizations and representations. One of the things we did, at the request of people who were meeting with us—organizations that were meeting with us, in many cases, and in some cases at our request—was to put in place essentially the Chatham House rule. For people to feel they could speak freely and bluntly, we gave people assurance that we wouldn't debrief specifically on what individual organizations or people said in our consultations. That's quite normal.

That said, we did ask every organization to submit a formal submission to our website, and those are all summarized in a summary document. What we can say is that we decided, right off the bat, probably within the first month of our operations, that the concept of listening to indigenous interests and ensuring that the transition to net zero happened in such a way that they could benefit equally from the economic upside was going to be absolutely critically core to our philosophy and our work.

That's a generic answer.

Ms. Viviane Lapointe: Very quickly, what I'm hearing from the mining industry—and I'm sure that the oil and gas sector is facing similar challenges—is that the need to take action is time sensitive and we need to support our energy industries and give them the tools to meet the goals we're setting.

How can government move the process of net-zero emissions along more quickly?

Mr. Dan Wicklum: I think that's a struggle that every government is having in the whole world, at the level of the nation, the province, the region or municipality. How do we act more quickly?

My feeling is that we have moved away from a paradigm of emissions reduction, where we've been for 30 years and where we had the luxury of just reducing emissions by a certain amount and the world would have been fine. Collectively, at the level of the world, we didn't move quickly enough, so we're forced now into an emissions elimination paradigm. That removes options from the table for us.

This isn't about what sector can reduce the most cheaply so that we get to a certain reduction: every sector has to drive to zero. I think changing from this emissions reduction to an emissions elimination paradigm also changes the onus of leadership. This is not just about Environment and Climate Change Canada anymore. Frankly, it's about every federal department, agency, crown, province, territory, municipal government—and, I'm going to say, especially the private sector too.

In the private sector are the ones that are actually going to invest. The philosophy for decades has been collectively looking to Environment and Climate Change Canada to say, "Make it worth our while so that we can invest." That paradigm will not work anymore in an emissions-elimination paradigm. Frankly, I believe the private sector has to inspect how they make decisions, how they contribute

to developing policy and regulation and how they contribute to developing investable projects that are aligned with a net-zero society.

I think it's very much a question not of what the government can do but of what everyone can do, especially the private sector.

The Chair: Thank you.

We're going to have to stop there.

Ms. Viviane Lapointe: Thank you.

The Chair: Be really brief, if you have...

[*Translation*]

Ms. Marie-Pierre Ippersiel: Actually, I just wanted to add that doing little now and doing a lot later will not work. Inaction comes at a cost; we must act urgently. As Mr. Wicklum said, everyone must make a contribution.

[*English*]

The Chair: Okay, thank you.

We're going to go now to Monsieur Simard, who will have two and a half minutes.

[*Translation*]

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

Ms. Ippersiel, I really like what you just said, that inaction comes at a cost. I agree with you completely.

So I am pleading with you not to interpret what I am about to say to you as a criticism of your work. I am simply trying to better understand your mandate.

In her introduction, Ms. Ippersiel talked about some principles and values that would allow us to reach our targets. That is the point I would like to come back to.

You have talked a great deal about what your mandate is. As I listened to you, I wondered whether you have the autonomy, the independence, you need to make recommendations which, at times, are going to take some courage to make to the government.

I was talking to you just now about principles that are basically quite simple. I am not an expert in environmental matters, but I often hear about the idea of polluter pays, a bonus-malus system, where those with bad practices are not rewarded for them. However, my impression is that, in the studies that we have been doing at this committee for some time, there is a kind of quest for the Holy Grail. By that, I mean that people want to make the oil and gas sector into a promising front in the fight against climate change, when it is precisely that sector that is causing the problems.

So one of my little concerns is whether, in the recommendations that you are going to be making, you will have enough autonomy, whether you will be independent enough.

Let me give you one very simple example.

We did a study on hydrogen. A number of people came to tell us that a price has to be put on the molecule. The price of a molecule of hydrogen made from hydroelectricity or from biomass will perhaps be a little higher. But no one seems to be calculating that the cost of a molecule of hydrogen made from gas and from carbon capture strategies is also high. Often, there is an attempt to bury the fact that the technology comes at a cost.

In that context, are you going to have enough autonomy to be able to say that it is a bad thing to put all our eggs in the oil and gas basket in an attempt to reduce emissions?

• (1355)

Ms. Marie-Pierre Ippersiel: I will comment on the beginning of your question. As for hydrogen, my colleague knows much more about it than I do.

Clearly—and you have my assurance on this, Mr. Simard—all the members of our group care a great deal about their independence, their autonomy. It is a fundamental principle, on the basis of which everyone agreed to commit the required time.

[English]

The Chair: Thank you—

[Translation]

Mr. Mario Simard: As for the issue of hydrogen—

[English]

The Chair: I'll let Mr. Wicklum answer, if he can answer in 30 seconds. Both the Conservative and Liberal witnesses went 45 seconds over the time, so I'll give you 30 seconds if you could try to answer or contribute.

Mr. Dan Wicklum: We feel completely independent. We continuously check our operations and how we interact with the government to make sure that we are independent. We are confident that we're independent.

As to whether the government supports the oil and gas sector... Again, we're thinking deeply about how the government could most optimally drive the country to net zero and where the supports should be across multiple sectors. Even though we've been asked about this one specific oil and gas task, we think that it cannot be set in isolation, and there has to be a very deliberate decision about supports across...even within the context of driving oil and gas to zero.

The Chair: Thank you.

Mr. Angus, you have the last two and a half minutes.

Mr. Charlie Angus: Thank you very much.

Going by what you have, your 10 values and principles do not allow for increases in greenhouse gas emissions. That's in your principles. The fact is that we're looking at a possible million-barrel-a-day increase.

How do we square that? Are you telling us it's possible to increase production by a million barrels a day and not have any greenhouse gas emissions?

Mr. Dan Wicklum: Are you getting that million-barrel increase number from the Canada Energy Regulator forecast report?

Mr. Charlie Angus: Yes, and what's planned by TMX, which is being finalized and built.

Mr. Dan Wicklum: We take a look at that forecast from the Canada Energy Regulator and see it as one of many prognostications about what the future will look like. The one we rely on the most is from the International Energy Agency, which predicts that by 2050, gas consumption globally will be down by 55% and oil by 75%—

Mr. Charlie Angus: I see that, but the fundamental problem here is that greenhouse gas emissions have continued to rise dramatically.

Mr. Dan Wicklum: Especially in the oil and gas sectors, yes, they have.

Mr. Charlie Angus: That's in the oil and gas sector. You're right.

The Prime Minister stood in Paris and said "Canada's back". Since then, the environment commissioner has said that we have become the outlier of the G7 and that we have gone from failure to failure. The Prime Minister then stood at COP26 and said there would be an emissions cap, without talking to you guys.

I'm asking a straightforward question. If we're going to be moving forward with increases in production, how can we tell anybody on the planet that we're going to be doing what you call prioritizing early and deep reductions? These are two contradictory positions.

Will you be advising the government that they're going to have to move toward capping production in a serious way in order to cap emissions? That seems to be the logical question here.

Do you agree?

Mr. Dan Wicklum: No. I'll unpack that question.

We're not going to advise to cap production, because this is about emissions.

• (1400)

Mr. Charlie Angus: Can you tell me that you can increase production upwards of a million barrels a day or more, and then decrease emissions? Are you saying it's possible?

Mr. Dan Wicklum: We're not addressing that question, because it's an artificial question. The concept of increasing—

Mr. Charlie Angus: That's not an artificial question. That is the real question the planet is facing. That is your obligation, and to tell me that it's an artificial question... If you're mandated not to have an increase in emissions, how do you tell me that you can have an increase in production and that the question of the emissions is not a factor?

That's your job.

Mr. Dan Wicklum: There's a tension here between production levels and intensity. If you combine production levels with the intensity of the product, you get emissions.

Mr. Charlie Angus: I get that.

Mr. Dan Wicklum: There are scenarios where—

Mr. Charlie Angus: But have you ever seen those scenarios? The emissions have gone up year after year. They've never gone down—

The Chair: I'm going to have to jump in.

Mr. Charlie Angus: That's not artificial. We're talking real world here.

The Chair: I hate to cut it off here, but we are at time. We're at two o'clock, which is when I said we would have to end the meeting.

I want to thank Ms. Ippersiel and Mr. Wicklum for joining us. I know you rearranged your schedules. It was very important for our

committee to hear from you near the start of this particular study, so I thank you for making yourselves available today.

To the committee, we are going to be meeting again this afternoon at 3:30. We'll be in a different room, I think over in West Block this afternoon. We have five witnesses appearing, as per the notice of meeting.

With that, we are adjourned.

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