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Chair: Mr. George Chalal



Standing Committee on Natural Resources

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• (1530)

[English]

The Chair (Mr. George Chahal (Calgary Skyview, Lib.)): I call this meeting to order.

Welcome to meeting number 86 of the House of Commons Standing Committee on Natural Resources.

Pursuant to the order of reference of Tuesday, October 17, 2023, and the adopted motion of Wednesday, December 13, 2023, the committee is resuming consideration of Bill C-49, an act to amend the Canada—Newfoundland and Labrador Atlantic Accord Implementation Act and the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act and to make consequential amendments to other acts.

Since today's meeting is taking place in a hybrid format, I would like to make a few comments for the benefit of members and witnesses.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mic, and please mute it when you are not speaking.

For interpretation for those on Zoom, you have the choice at the bottom of your screen of floor audio, English or French. For those in the room, you can use the earpiece and select the desired channel.

Although this room is equipped with a powerful audio system, feedback events can occur, and these can be extremely harmful to interpreters and cause serious injury. The most common cause of sound feedback is an earpiece worn too close to a microphone. We therefore ask all participants to exercise a high degree of caution when handling the earpieces, especially when your microphone or your neighbour's microphone is turned on.

In order to prevent incidents and safeguard the hearing health of the interpreters, I invite participants to ensure that they speak into the microphone into which their headset is plugged and to avoid manipulating the earbuds by placing them on the table away from the microphone when they're not in use.

Remember that all comments should be addressed through the chair.

Additionally, screenshots and taking photos of your screen are not permitted.

In accordance with our routine motion, I am informing the committee that all remote participants have completed the required connection tests in advance of this meeting.

With us today for the first hour, from the Government of Newfoundland and Labrador, we have the Honourable Andrew Parsons, Minister of Industry, Energy and Technology, by video conference. Also joining us by video conference is Craig Martin, associate deputy minister of energy development.

We also have, from the Government of Nova Scotia, the Honourable Tory Rushton, Minister of Natural Resources and Renewables, by video conference. Also joining us by video conference are Kim Doane, executive director of the subsurface energy department, and Melissa Oldreive, manager of strategic priorities.

We will now proceed to our opening statements.

I will acknowledge for everybody online that I use these two cards. Yellow means you have about 30 seconds left. Red means your time is up. I will try to not interrupt you mid-sentence, but I will try to guide you when we get near the end.

We will start with Minister Andrew Parsons from the Government of Newfoundland and Labrador, for five minutes.

Minister, the floor is yours. Welcome to committee.

Hon. Andrew Parsons (Minister of Industry, Energy and Technology, Government of Newfoundland and Labrador): Thank you very much.

My name is Andrew Parsons. I'm the Minister of Industry, Energy and Technology with the Government of Newfoundland and Labrador. I appreciate the invitation to present today with respect to amendments to the Canada-Newfoundland and Labrador Atlantic Accord Implementation Act, or Bill C-49.

Our province is pleased that the proposed legislative amendments to the Atlantic accord implementation act ensure joint management of our valuable offshore wind resources, recognize exclusive jurisdiction of waters lying between the jaws of the land and certain coastal waters, and modernize provisions relating to the offshore oil industry.

Our government is committed to supporting offshore renewal energy projects that have the potential to contribute to the goal of net-zero emissions by 2050. Electrification and increasing opportunities to support decarbonization of the economy are essential to achieving these goals.

I would be remiss if I didn't state early on in my remarks that during the global transition to a net-zero economy, as the world transitions from hydrocarbons to renewable energy sources, it will continue to require non-renewable energy sources such as oil and gas.

Newfoundland and Labrador's offshore oil and gas sector is a major contributor to our provincial economy. We have made significant progress in positioning the oil and gas sector to meet the world's energy needs during the transition while taking steps to decrease the carbon intensity of the sector by participating in projects, initiatives and groups focused on decreasing carbon sector emissions. With high ESG standards and performance, our offshore is an important and reliable supplier during the energy transition. We also have so much to offer when it comes to renewable energy resources, whether it's meeting net-zero commitments, mitigating the impacts of climate change or growing clean energy jobs and supporting economic development.

The proposed legislative amendments to the act are significant for our province as we work to develop our renewable energy offshore. They will ensure that necessary measures are in place to support offshore renewable opportunities and allow for a fiscal regime that provides the maximum economic return to Newfoundland and Labrador. It will rename the C-NLOPB as the Canada-Newfoundland and Labrador offshore energy board and expand its mandate to become the lead regulatory body for offshore energy in the offshore area. This furthers joint management of the offshore area and builds upon the extensive expertise the board has in managing offshore projects. It will define the offshore area for offshore renewable energy that excludes areas within provincial jurisdiction to ensure that we can move forward to regulate developments within provincial jurisdiction waters. Finally, it modernizes provisions regarding the regulation of our offshore oil industry.

Using our wind resources, we have an opportunity to develop some of the first large-scale projects that will produce green hydrogen for export for global demand and for some of our own commercial operations. As early adopters in this industry, we are taking every step we can to move in the right direction.

As a province, we have the right ingredients to competitively produce and export green hydrogen, from strong wind to fresh water, deep seaports and proximity to markets. [*Technical difficulty—Editor*]

• (1535)

The Chair: The minister's screen is frozen. We'll maybe come back to him, if that's okay with colleagues. He has about a minute and a half left.

In the meantime, we will turn it over to the Government of Nova Scotia....

You're back, Minister Parsons. Your screen had frozen.

Please go ahead and finish your remarks.

Hon. Andrew Parsons: All right.

We would like to take our world-class wind to build a new sector that will create jobs and reduce emissions. We've been moving forward with onshore wind development. This legislation will allow us

to move forward with the development of our offshore renewable energy.

We're looking forward to building into this green economy for the long-term benefit of our province.

I'd like to thank you for this opportunity.

The Chair: Thank you, Minister Parsons, for your opening statement.

We'll now proceed to the Government of Nova Scotia and go to Minister Rushton.

Minister, the floor is yours for five minutes. Welcome.

Hon. Tory Rushton (Minister of Natural Resources and Renewables, Government of Nova Scotia): Thank you very much, Mr. Chair, and good afternoon, everyone.

I'm happy to join you virtually today from Mi'kma'ki, the traditional territory of the Mi'kmaq people.

I'm pleased to have this opportunity to speak about the importance of Bill C-49 for Nova Scotia's transition to clean energy.

Our province has some of the most ambitious climate change goals in the country. These are legislated goals, and we're determined to reach them. By 2030, we'll be off coal and have at least 80% of our electricity from renewables. By 2050, we'll be at net zero. There is no silver bullet to achieve these goals. It takes a suite of solutions to make them a reality. We're focused on made-in-Nova Scotia solutions as much as possible, and Bill C-49 is key to helping us advance them.

We've released a number of plans to help us reach our goals. The clean power plan focuses primarily on greening our grid. The offshore wind road map focuses on harnessing the power of the world-class offshore wind of this province. The green hydrogen action plan focuses on the clean fuel that can help with the transition both at home and abroad. They all work together to move us towards a sustainable future, but offshore wind and green hydrogen in particular really go hand in hand.

Nova Scotia's offshore wind speeds are among the best in the world. They rival the winds of the North Sea, where the world's offshore wind sector started. We have an incredible opportunity here. That's why we set a goal of offering licences for five gigawatts of offshore wind by 2030. We're planning the first call for bids in 2025. We want the world to know that we are open for business, not just for offshore wind but also for green hydrogen. These sectors are tied very closely together.

We anticipate high demand for renewable electricity for green hydrogen production, so developers know they can pursue offshore wind projects at a scale that make them worth investing in. We're nurturing the development of both these sectors. They are key components of our plan to meet our 2050 climate change goals.

New sectors require new regulation to make sure they are safe and responsible for the environment, for workers and for other sectors working in the offshore. That is why Bill C-49 is so important for Nova Scotia. It will bring us into a new era of offshore energy regulation, an era that brings untold new possibilities for clean energy and for green jobs, not only in offshore energy but also in the broader ocean-tech sector.

My premier, my government and I fully support this bill. It will expand the role of the Canada-Nova Scotia Offshore Petroleum Board to include renewable energy and will rename it the Canada-Nova Scotia offshore energy regulator.

The board will be well positioned for this expansion in regulatory authority. It has more than 30 years of experience in responsibly managing the health, safety and environmental aspects of our offshore developments. It has the technical expertise and the administrative capacity to regulate highly complex marine environments. This skill set will be easily applied to offshore renewables.

Together with Natural Resources Canada, we'll continue to review the board's budget and capacity, and we'll make sure it has sufficient resources to effectively and responsibly regulate this new sector.

Further, we're working with our federal partners on the regional assessment for offshore wind, which focuses on identifying where and how these projects can be optimally developed. It will inform governments on future planning for this sector, and it's an opportunity for Nova Scotians to have their say in how the sector and projects should be planned. We've been encouraging Nova Scotians to take part in this process, and we're listening to their feedback. That's why we made a decision in the fall to pause any consideration of wind development in our provincial waters until we have a framework in place for our jointly managed waters. We're confident that with that framework in place, offshore renewables and traditional industries such as fish harvesting can coexist, just as we've seen with natural gas projects and with wind projects in other parts of the world.

Finally, I want to emphasize that Nova Scotia welcomes all the appropriate scrutiny to make sure that offshore wind projects are done safely and responsibly and that they can coexist with other sectors and interests. That will involve review and approval at federal and provincial levels, and there will be a lot of opportunity for public input and engagement with our first nations.

• (1540)

Again, I will state that Nova Scotia fully supports this bill. It is key to advancing our clean energy and climate change goals. We have complete faith in the board's ability to help safely advance these goals, and we urge the speedy passage of this bill so we can meet our timelines in Nova Scotia.

We cannot afford to wait till Christmas. Developers are weighing their investment options right now as this committee debates, and we still need to make amendments to our own mirror legislation in time for the call to bids.

Offshore wind is Nova Scotia's greatest economic opportunity since the age of sail. There are tremendous opportunities for our coastal communities, for our province and for our country. We cannot afford to wait.

Thank you.

The Chair: Thank you, Minister Rushton, for your opening statement.

Colleagues, we'll now proceed to our first round of questions, for six minutes. We'll start with the Conservative Party of Canada and Mr. Small.

Mr. Small, the floor is yours for six minutes.

Mr. Clifford Small (Coast of Bays—Central—Notre Dame, CPC): Thank you, Mr. Chair.

Thank you to the witnesses for coming today to take part in this important study.

My first questions will be for Mr. Parsons.

It's been said that Newfoundland and Labrador has an embarrassment of natural resources. This is a very exciting time as we position ourselves to benefit from the emerging offshore wind energy sector with the development framework that's inside this revised Atlantic accord here, which also addresses changes on the petroleum side.

Are you familiar with Mr. Max Ruelokke, Mr. Parsons?

• (1545)

Hon. Andrew Parsons: I am aware of Mr. Ruelokke as an individual and as a former member of the board, but I do not know him personally.

Mr. Clifford Small: Mr. Ruelokke has over 40 years of experience in the offshore oil and gas industry and is the former chair of the C-NLOPB, as you just mentioned. He says the offshore oil and gas industry is a competitive business worldwide. He says there are three main factors required in offshore oil and gas development. Number one is sufficient resource availability. Number two is economic feasibility. Number three is appropriate regulatory regimes that provide certainty.

Do you feel that Mr. Ruelokke speaks with authority when he says this?

Hon. Andrew Parsons: What I would say is that I certainly have respect for his knowledge as someone who's been in that field. Again, I haven't had this conversation with him, but what he's saying sounds like it makes some sense.

Mr. Clifford Small: Last week, Mr. Ruelokke submitted written testimony to this committee which said, "Section 56 of this Bill puts any and all offshore areas at risk of being rendered unusable for resource development, even though such activities may already be underway, and with appropriate regulatory approval." He then goes on to say that "no corporation will risk investing in an area where their...production activities can retroactively be banned".

Do you agree with his statements here?

Hon. Andrew Parsons: I would agree with a portion of the statement, which is that it will be hard to invest or have a retroactive that would have an effect. I do not agree with the beginning of the commentary, that this particular section or bill will have that effect, given the fact that nothing can be done without provincial approval as it relates to our offshore.

That's not an issue we have generally been too concerned with.

Mr. Clifford Small: How many offshore parcels were up for bids in 2023, Mr. Parsons?

Hon. Andrew Parsons: I don't recall the number. It would probably be in the range of 30 to 40.

From what I understand, Mr. Tessier may have spoken earlier, so whatever number he says I would certainly stand by as being accurate.

Mr. Clifford Small: It was a record number. It was in the 40s.

How many bids did you receive from the industry this year and at what dollar value?

Hon. Andrew Parsons: I believe there were zero bids.

Mr. Clifford Small: Do you think it's merely a coincidence that after this bill was tabled in May, with a record number of offerings to the petroleum industry, not one bid was received?

Hon. Andrew Parsons: I've had no indication from developers, from the local industry or from people I deal with on a day-to-day basis that this bill has had any effect. It has not been mentioned to me in any way, shape or form that this bill had that impact, nor am I shocked that there were no bids this year. It is unfortunate, but it was not surprising.

Mr. Clifford Small: Would you be shocked to hear that Texas received 382 million dollars' worth of bids for offshore parcels in the Gulf of Mexico in 2023?

Hon. Andrew Parsons: No. I believe I've seen that number, actually.

Mr. Clifford Small: Is it possible that a clause like section 56 in the new Atlantic accord has created enough uncertainty for investors that we're starting to render ourselves uncompetitive in the world of offshore petroleum development?

Hon. Andrew Parsons: No. I can give you only my particular view that I don't believe this particular section or legislation has had that effect, and I can go only by the commentary that is made to me. I will say that, generally, in my three and a half years in this

role, most operators or people in the industry do not shy away from telling me how they feel.

It may relate to general uncertainty, sometimes, as we talk about a global shift, which has been going on since 2020 and has had some impact. Again, maybe there is something I am not aware of, but I can only give you my perspective on this, as I laid out.

Mr. Clifford Small: Mr. Parsons, do you intend to mirror this version of the Atlantic accord, or will you push Minister Guilbeault and Minister Wilkinson for amendments to address concerns that I'm quite sure you've seen put forward here by witnesses from the fishing industry and the oil and gas industry?

Will you have a look at addressing their concerns, or will it be, in the words of Max Ruelokke, the "death knell for...future offshore oil and gas"?

● (1550)

Hon. Andrew Parsons: I think the term "death knell" may be a bit of hyperbole.

Again, as it stands, we were very co-operative with the federal government when it came to the development of this legislation. Certainly, there were conversations between ministers, premiers and officials as they related to this, but again, I do not speak for the entirety of the government as it relates to how legislation is to go.

The Chair: Thank you, Mr. Small.

Thank you, Minister.

We'll now go to Ms. Jones, from the Liberal Party of Canada, for six minutes.

Ms. Jones, the floor is yours.

Ms. Yvonne Jones (Labrador, Lib.): Thank you very much, Mr. Chair.

I want to thank the witnesses for joining us today.

First of all, let me start by saying that earlier in the committee sessions, the Conservatives on the committee made a statement that they felt the Government of Newfoundland and Labrador and the Government of Nova Scotia had been "hoodwinked" into supporting Bill C-49 and its amendments.

Can you tell me if you had full knowledge of what was going in this bill and what was an integral part of negotiating the terms and conditions of the bill, or were you in fact hoodwinked, as the Conservatives say?

I'll go to you first, Minister Parsons, and then to Minister Rush-ton.

Hon. Andrew Parsons: What I would say is that our government—whether it be the premier or various ministers, as well as the officials—certainly played a role in the development of this.

This is something when it comes to the offshore.... We've had a well-running board for decades now, and in this case we were very interested in moving forward on the offshore regulation of this new opportunity.

Certainly, I don't feel like there were any fast ones being pulled. I don't feel like I was hoodwinked. That's not a term that's come up so far. However, I'm interested in being able to answer any more questions. If somebody wants to tell me how I was hoodwinked, I'd be very interested in hearing their perspective.

Ms. Yvonne Jones: Minister Rushton.

Hon. Tory Rushton: Thank you very much.

First and foremost, I want to recognize the full confidence that I have in our current board in Nova Scotia. There's 30 years of experience plus a lot of expertise on that board. Certainly, these were conversations that we had minister to minister, department to department and premier to premier, and there were conversations with our board locally on the process to do the amendments to this act to ensure that Nova Scotia will have some say in this, that our voice is still heard at the table and that we can make decisions in conjunction with our federal partners.

This is something that we worked very closely on with our federal counterparts to ensure that this bill is something we can foster in Nova Scotia, that we feel comfortable as we move the economy in Nova Scotia and that we have green energy put into our system.

That's only going to help our province and our country.

Ms. Yvonne Jones: On Monday, we had testimony from Mr. Ches Crosbie, the former leader of the PC Party of Newfoundland and Labrador. He made two accusations. One is that your provinces have failed the accord. I'm looking for his exact words here. He said, "to defend the Atlantic accord". He also said, "climate change is bogus", indicating that legislation or amendments to Bill C-49 are unnecessary at this time if they're being done to meet changing climate targets.

Can I ask you both to comment, first of all, on how critical this legislation is to clean energy in your provinces? Will it support a growing economy and jobs in your provinces? That is certainly not the testimony we've heard from some witnesses at the committee.

Hon. Andrew Parsons: I think it's very important when it comes to renewable energy that we be able to move forward quickly and efficiently. Certainly there's an excitement within the province regarding the opportunity that comes with our offshore, but there's also the need to get a strong regulatory framework in place. As a province, we've been lucky to have that in place with our offshore oil. We have a great understanding of how this works, how it can work and the opportunities it presents. Again, I would have nothing to say on that. We're looking to move forward.

The last thing I can say is that there are a great many issues or points on which I do not agree with Mr. Crosbie, and it's the same for these two.

• (1555)

Hon. Tory Rushton: Certainly this is very important for Nova Scotia. I can tell you stories of how Nova Scotia has trained many people for the ocean technology sector, and we've seen them go travelling worldwide outside of Nova Scotia. For the first time in many, many years, we've been seeing those people we trained here in Nova Scotia coming back home to work in a sector they feel very confident in.

This is going to be a huge, changing spectrum for Nova Scotia as we get into the green energy spectrum. This is something that's going to change the landscape in Nova Scotia. It's going to change the economic abilities of Nova Scotia in the years to come. This is something we need to see take place very quickly. As I said in my opening remarks, we can't wait a long time for this to move forward; we're waiting at hand right now.

I will just touch on a previous witness's statement. I've been watching the committee very closely. Unfortunately I didn't get to see Monday's statements, but with respect to what our government has done, I think our history in the last two years has set a standard for what we believe in. In our province we have legislated some climate change goals. They're not just things we've stated; we've legislated them. We've seen different disasters; we've seen heavy floods in our province, and we've seen massive forest fires in our province, which we've dealt with right here within my department. I think our history speaks for itself. We have a legacy behind us. We're going to action our plans and move forward on our commitments.

Ms. Yvonne Jones: I want to thank you both for your answers to my questions. I appreciate them.

The Chair: Thank you, ministers.

Thank you, Ms. Jones, for your questions.

We will proceed to Monsieur Simard from the Bloc Québécois for six minutes.

[*Translation*]

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

Mr. Parsons, I'm a Bloc Québécois member. I focus on respect for provincial jurisdictions. I don't think that Bill C-49 poses any problems in this area. However, I do want to explain my reservations about this bill.

Witnesses have come here to share their perspective that fossil fuels and renewable energy are on an equal footing. Some people may consider this an issue. As a result, it can't be said that this bill aligns perfectly with the energy transition. In my opinion, the energy transition means moving from an economy based on carbon-intensive energy to clean, low-carbon energy.

In your presentation, you spoke about what the transition means for Newfoundland and Labrador. I have a simple question for you. Shouldn't the bill include clear statements that we're committed to clean energy? That isn't the case right now.

[English]

Hon. Andrew Parsons: We've been a part of this process, and we are quite satisfied with the bill as it stands. We are looking forward to the quick passage of this piece of legislation. We would like to see this move forward so we can continue on with the development of our offshore renewable resource, but we've been quite clear about the impact of the oil and gas sector on our province and what it does for us as a province. It provides revenue for our social system, for our network. With the jobs and royalties it creates, it also helps pay for our education and for everything our citizens rely on. I don't believe there will be any change in that demand for some time. We also recognize that there will be a transition and that the transition is not going to occur overnight, so we hope to actually take some of the resources we get from this to help us with the green transition that is occurring with the offshore energy transition.

[Translation]

Mr. Mario Simard: Thank you for your response.

I fully understand the importance of oil and gas to your province. However, would you agree with an amendment to the bill stating that there shouldn't be any new oil and gas projects?

Would you support this type of amendment?

• (1600)

[English]

Hon. Andrew Parsons: Absolutely not.

[Translation]

Mr. Mario Simard: That's clear enough. Thank you.

In the event of a conflict over use, such as a wind project that conflicts with an oil and gas project, would you support an amendment to the bill that prioritizes clean energy projects?

[English]

Hon. Andrew Parsons: No, what I'm a believer in is the opportunity to have clear conversations, discussion and study into the pros and cons of everything and what the total impact will be.

I certainly take the point of the question, and I understand the logic behind it, but I wouldn't be able to just wholeheartedly say yes to that without knowing what these different impacts are. Again, that's something we would work with our regulator on. Certainly there are a lot of smart people within our various departments who would want to see what the study is.

While I certainly get it, I wouldn't be able to automatically say that yes, I think that clean energy has priority over it without knowing the full impact, especially on the future of Newfoundlanders and Labradorians and keeping everything in consideration.

[Translation]

Mr. Mario Simard: Thank you for your response.

You and I both know that wind power requires quite expensive infrastructure. Turning wind power into hydrogen then adds to the cost. I know that your province has incurred cost overruns with Muskrat Falls.

Can you predict what a wind project involving hydrogen production might look like overall?

Do you have any idea of the potential costs involved?

[English]

Hon. Andrew Parsons: There are just a couple of things there. When it comes to the offshore, no, we haven't had any proposal put to us, even in the roughest terms, in terms of what it would cost or what it would entail.

Certainly, when it comes to onshore projects, of which we have four that have now been given approval to move forward, they all differ depending on the megawatts, the scope of the project and what they hope to produce.

I would point out one difference between this and the Muskrat Falls project that you referenced earlier, which was commissioned back in 2012. It was funded in many ways by taxpayers, but, in this particular case right now, the province is not subsidizing these onshore projects, and certainly there has been no discussion as to subsidizing offshore.

[Translation]

Mr. Mario Simard: Thank you.

[English]

The Chair: Thank you, Mr. Simard.

We'll now go to Mr. Angus from the New Democratic Party for six minutes.

Mr. Angus, the floor is yours.

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

Mr. Rushton, I'll begin with you.

My grandfather was Joe MacNeil. He would have done anything to stay in Cape Breton, but when the coal gave out, that was it, they were gone. We grew up as expats in northern Ontario, where all the other Nova Scotians used to come on Saturday nights and sing the songs. There wasn't a single one of my relatives in New Waterford, Iona or Glace Bay who stayed. When the coal went, they all went.

I guess the issue here is that you have an economic opportunity, and we can sit and have it blocked by the Conservatives, or we can move ahead, but the facts are the facts. The change is coming.

How important is it that we move with speed and get this through the House of Commons, so that you can do what you need to do to ensure economic diversity in Nova Scotia?

Hon. Tory Rushton: Thank you very much for that. I certainly appreciate it.

It's very important. I was a tradesperson before politics, so I know how many people left the province within my own trade, and now they're looking to come back.

On the speed of this, I'll be quite honest. There are people in the sector who have been watching this committee over the last couple of weeks. There are probably people who have put projects on hold along the strait in Cape Breton to see how things are going today.

You asked how important this is. Passing this bill is very important for the economy in Nova Scotia. There are people from all over the world, stakeholders who are coming to Nova Scotia and looking at the wind regimes that we have in Nova Scotia and the ability and expertise that we have in offshore to make this home and to help Nova Scotia grow. Our population is growing by great numbers for the first time in many years.

People are looking at Nova Scotia as a leader in many things, but something we're very proud about is that Nova Scotia is being looked at as an opportunity for green jobs and a green economy. In years to come, I think people are going to look back at this. Once this gets moving along, once Bill C-49 is passed, people will look at this decades from now and say, "Here was a move that made Nova Scotia a capital of renewable energy in the world."

• (1605)

Mr. Charlie Angus: We're looking at what's happening in the United States. I think I started following offshore wind in the North Sea about five years ago. A lot of it seemed almost hypothetical or maybe possible, but we're seeing what's happening with the Biden administration in Delaware, Maryland, Virginia, Rhode Island, Martha's Vineyard and New Jersey. These are projects that are going to give electricity to up to 700,000 homes. The ports are busy. The tradespeople are going to work.

You said investors are making decisions now. What message does it send to investors when we have a party here that has said it's going to block this legislation and it's going to sit on it? Are investors going to sit and wait until the Conservatives decide that they're going to support Nova Scotia, or are they just going to move to where the jobs and the investments are going, which is just south of us, to the United States?

Hon. Tory Rushton: Obviously, I can't speak for the investors. What I can do, as minister and a representative of this government, is advocate to them. We want these investors here in Nova Scotia. This is a legislative process that is going through.

Would I like to see this done right away for the benefit of Nova Scotia? Absolutely. My job is to advocate with them and work with them with the processes that are in place.

To be honest, I can't stress how important this is to our government, to our province and also to our country as we all plan for a cleaner energy spectrum and set goals for 2030, 2050 and years out. This is not just important to the future of Nova Scotia; it's important to the future of Canada.

Mr. Charlie Angus: Thank you.

Minister Parsons, we know that Newfoundland and Labrador really benefited from the offshore oil and gas. You built up a world-class expertise. Just two years ago, Bay du Nord was approved. It's a 300-million-barrel project that went through all the approval processes. That's a hell of an investment of time, yet the company walked. They said there was no economic case for it.

That sent a real signal. We see that the International Energy Agency is now predicting up to a 25% decrease in demand in the next six years.

If we're looking at that change happening that fast, how important is it that we use the skills we have in Newfoundland and Labrador and use ports like Argentia to start being able to compete, so we have something to fall back on if the oil sector does make that transition that seems to be happening faster than expected?

Hon. Andrew Parsons: There are just a couple of things.

Certainly, I still believe that Bay du Nord is not just a probability. I do think it will happen. At the same time, when we talk about the term "diversification", this is the opportunity for true diversification when we can have an offshore that is not just oil and not just gas, but when we can talk about wind and renewables. We're going to require that expertise, whether it's people who transition from the non-renewables into renewables or the opportunity for people to come home.

A couple of things I would point out are that when we originally started talking about wind energy in Newfoundland and Labrador, it was amazing to get emails from people originally from here who were living in the United States, who were in this field and said they might actually get a chance to come home. There are also the expats that we have spread throughout Canada alone, let alone everywhere else, who would like to come home.

What I would say, to echo my colleague, is that delay here now will be a delay in opportunity. It will be a delay in investment, and the capital will go elsewhere.

Mr. Charlie Angus: I just have a couple of seconds left.

What does it say for the Atlantic Accord that we have a federal party, the Conservative Party, that says it's going to oppose legislation that is going to expand the Atlantic Accord and create jobs in Newfoundland and Labrador and Nova Scotia? What kind of message does that send?

Hon. Andrew Parsons: I'm going to try my best here to be as diplomatic as possible.

Mr. Charlie Angus: Don't worry about that. Just speak your heart.

Hon. Andrew Parsons: What I would say to clew up there is that my only goal is to get what's best for Newfoundland and Labrador. I will do whatever is possible to make sure that happens.

In this case, this requires this bill to move forward as expeditiously as possible.

The Chair: Thank you, Minister.

We'll move to our second round. We'll start with Mr. Perkins for five minutes.

The floor is yours, sir.

Mr. Rick Perkins (South Shore—St. Margarets, CPC): Thank you, Mr. Chair, and thank you to the witnesses.

My first question is for Minister Parsons.

My understanding is that in 2015, 1.2 billion dollars' worth of exploration licences were issued in the call in Newfoundland. Pretty much every call since then that Newfoundland has done had exploration licences applied for and given, for considerable money. Then this bill was introduced and for some reason there were none this summer.

I'm just curious. You said that it was to be expected. Was it to be expected because this bill was introduced and you went from every year having exploration licences issued to then having none?

• (1610)

Hon. Andrew Parsons: I think my take on this would be that, in fact, certainly there were significant monies spent in 2015, 2016 and 2017, but the downward transition actually started happening around 2020. When I came into this role in August 2020, we actually had an industry that was completely shut down due to the global shift in energy due to what was going on with COVID. Thousands of people were out of work, and that, for the first time in some time, introduced an uncertainty here. I think it obviously had a tremendous impact on the companies and the operators themselves.

It's still playing out. In fact, these multi-billion dollar—

Mr. Rick Perkins: COVID is to blame for no one bidding in 2023.

Hon. Andrew Parsons: No. What I was saying is that we have seen that trend.

All I can say is—

Mr. Rick Perkins: The trend was COVID. It wasn't a trend in 2023, but I'll move on.

Hon. Andrew Parsons: If I had a chance to answer—

Mr. Rick Perkins: No, it's okay. It's my time. I'm sorry.

Minister Rushton, there's nothing that this bill does that prevents offshore wind from being done now. It just gives process jurisdiction to a board. However, this bill includes the process from the Impact Assessment Act, Bill C-69, as we know. In fact, clauses 61, 62, 169 and 170 are from that.

You're aware, of course, that once that came in, the ability to get projects approved dropped considerably. When we look at, for example, the Tilt Cove exploration drilling project in Newfoundland, we see that it's been five years going through this process. As for the Cape Ray gold and silver mine, it's been eight years. For the iron ore project in Newfoundland, it's been 11 years. For the Fifteen Mile Stream gold project, it's been six years. It goes on and on. In Nova Scotia, for the Beaver Dam gold mine project, it's been nine years.

You believe that you need to have this in place—I think it's five megawatts—before 2030. When or if this bill passes through Parliament, how is it possible, given how slow this process is—six to eight years so far, and with no end in sight for those IAA projects in Atlantic Canada—that you think this can come online?

Hon. Tory Rushton: I guess what I would say to you is that we agree with the amendments to Bill C-49. We worked very hard. It was co-created with both provincial and federal counterparts, with both departments working very steadfastly on this.

We have a board that we want as the regulatory regime for offshore wind and that we have total faith in. We believe that things can coexist on a waterway—from this board and its decisions.

Mr. Rick Perkins: Minister Rushton, that's a general answer. I was asking specifically about the IAA process and saying that it can't get done in the five to six years that you have left to get to 80% renewable. We have this IAA process, and the Nova Scotia government has been curious as to why we have problems with this. We support offshore wind; we don't support the IAA process, which has killed every resource and energy project in this country. Now the Liberals are imposing it on the ocean in Atlantic Canada, so you can expect the same result, not a different result, on the amount of time it takes to get through.

Do you believe that this can also be done without increasing the cost to ratepayers?

Hon. Tory Rushton: What I'd say back to that is that I did say that this coexisted. Decisions made for the offshore wind are recommendations from the board. They have to be decisions that are communicated between both ministers.

Mr. Rick Perkins: That's through the IAA process, but my question was about the ratepayers.

Hon. Tory Rushton: I already answered you on that. We believe in the amendments to this bill. We believe—

Mr. Rick Perkins: Without government subsidies, current offshore wind is 15 cents per kilowatt.

The Chair: Mr. Perkins, I'm sorry. I'm going to have to interrupt here.

We have our honourable ministers online. You asked the question, but I'd like the minister to also be able to provide an answer.

Mr. Rick Perkins: I would, but I'd appreciate an answer and not just a general statement.

The Chair: Well, I want to make sure. The minister was in mid-sentence, trying to provide an answer, so if you could allow him—

• (1615)

Mr. Rick Perkins: He wasn't. He was—

The Chair: I paused the clock, but I would like to have the minister be able to provide an answer to your question, because, earlier on, Minister Parsons was also interrupted mid-sentence. If we could please allow our witnesses to be succinct but able to provide their answers—

Mr. Rick Perkins: We have limited time, so I want crisp answers.

The Chair: I'm going to go to Minister Rushton.

I apologize for the interruption, Minister Rushton. Go ahead.

Hon. Tory Rushton: The Province of Nova Scotia and this government certainly believe that this bill needs to move forward, and we believe in the amendments that have been put forward.

Mr. Rick Perkins: I asked you about the cost to ratepayers. It's 15 cents per kilowatt right now for offshore wind without government subsidies. I understand that your government is looking for 100% federal government subsidies to buffer that gap. Is that correct?

Hon. Tory Rushton: That would be very, very close to what the rates are right now, with the price of coal and things, but at the end of the day—

Mr. Rick Perkins: Coal is four and a half cents.

Hon. Tory Rushton: I wish coal was four and a half cents. Right now, today, we will do everything that is possible and make the best decisions for the ratepayers of Nova Scotia.

The Chair: The time is up. Thank you, Minister Rushton.

We will go to our next round of questioning and start with Mr. Blois for five minutes.

The floor is yours, sir.

Mr. Kody Blois (Kings—Hants, Lib.): Mr. Chair, it's great to see Atlantic witnesses before this committee. It speaks to how important this piece of legislation is to Atlantic Canada.

I'm going to try to move quickly.

Mr. Rushton, you rightly identified that the Nova Scotia government is completely on board. I would suggest to this committee that not just your government but I think all parties in the Nova Scotia Legislature recognize the importance of this.

I'll ask a very precise question. Do you see any issues with this bill from a provincial perspective? Do you see any amendments that have to be made to the bill as is—yes or no?

Hon. Tory Rushton: No. This is not a new bill. There are amendments to what already exists. The board exists. I have total faith in the board.

It's something that's needed in Nova Scotia to move the green economy and the green jobs.

Mr. Kody Blois: Minister Parsons, you talked about this being a joint process. That seems to be something the federal Conservatives are missing. This is not being imposed, as Mr. Perkins said. This is actually a partnership.

I think you've said it very clearly, but just for the record, you want to see this bill passed as quickly as possible, unamended.

Hon. Andrew Parsons: We are waiting for that result, yes.

Mr. Kody Blois: Mr. Parsons, Newfoundland had a great contingent at the world hydrogen conference in the Netherlands. I know this because my wife works at Stewart McKelvey, and she had the opportunity to meet you.

I wonder if you could provide the committee with a quick glance at the international and global opportunities for Atlantic Canada in this space for green hydrogen. Mr. Perkins talked about electricity. That could be some play for the offshore, but this is really about green hydrogen and the ability to move ammonia.

Can you quickly tell this committee what that opportunity represents?

Hon. Andrew Parsons: Having been at the world hydrogen conference, I had the chance to tell the world about Newfoundland and Labrador, the resource we have and all the things you need to make it in an economically feasible way. One of the big things is educating people on the proximity. We are closer to the Netherlands than we are to British Columbia.

The reality is that we have everything there. Let alone a world-class resource, let alone ice-free ports and let alone a workforce, we have everything there. Right now we get constant calls with regard to global opportunities.

Mr. Kody Blois: That's great.

Minister, the Conservatives have talked about proposed new section 56. You were very clear that in your conversations with all of those in the oil and gas industry, they have not once raised that provision as a concern to you. You were very clear that the Government of Newfoundland and Labrador is supportive of the oil and gas sector. Mr. Angus talked about what that represents to your province. I would suggest that any government in Newfoundland and Labrador will continue to be supportive.

Just to be very clear, you don't see proposed section 56 as being any impediment whatsoever for the future of oil and gas in your province.

Hon. Andrew Parsons: There are two things I would say. I would reiterate that proposed section 56 has not been brought to my attention by anybody in the field or in the province as being a concern. Second, we were a part of this process and this legislation.

Mr. Kody Blois: Minister Rushton, I'll go back to you very quickly. This is a distinction. The Conservatives are trying to raise the prospect of a past bill, which is Bill C-69, but this is completely different. We're talking about the Atlantic accords and we're talking about a partnership whereby provincial governments actually negotiate with the Government of Canada.

Again, just to highlight that difference, this is something your government really believes in and we should be moving on as quickly as possible.

Hon. Tory Rushton: Certainly. I think I've elaborated quite extensively today on how important this is to Nova Scotians, to our clean energy sector and to opportunities that are sitting at our feet right now. There are many opportunities at our desk. Certainly, our government supports the amendments to this act.

Mr. Kody Blois: I think what I find so breathtaking is that we have two provincial governments, two provinces in Atlantic Canada, and the Atlantic accords have been so important to our region, yet the federal Conservatives know better than the duly elected members of the legislature in Nova Scotia. I don't know the situation in Newfoundland and Labrador, but certainly in my province of Nova Scotia, I have federal Conservatives from other provinces of the country who are almost suggesting that they know better than the governments in the place I call home.

I think that's astonishing. It follows the trend of the Harper government, which wanted to tear up the Atlantic accords. In my view, it is really almost gatekeeping economic opportunity in Atlantic Canada.

I just want the ministers to know this. When we get this bill through committee, I'll certainly be encouraging our House leader to move this as soon as possible, because, again, the Conservatives are standing in the way—

• (1620)

The Chair: Mr. Blois, we have a point of order from Mr. Perkins.

Mr. Rick Perkins: The Conservative government created the Atlantic Accord, and the Conservative government never tore it up. Sticking to truth would maybe be helpful.

The Chair: Mr. Perkins, a point of order is for procedural relevance and not for debate. You can use your time for that.

Mr. Blois, you have 28 seconds. Go ahead.

Mr. Kody Blois: Mr. Perkins is talking about the Progressive Conservatives under the Mulroney government that he was with. He stands in a vastly different type of Conservative government today.

I will say that we will try to get this through as soon as possible so that the Conservatives don't block this.

The last thing I want to say, Mr. Chair, is thank you to all the civil servants. I noted some of the folks before the call. Thank you for your work in helping to prepare this legislation. Let's hope we can get it through for Atlantic Canada.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Blois.

We'll now go to Monsieur Simard for two and a half minutes.

The floor is yours, sir.

[*Translation*]

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

Mr. Parsons, when we left off earlier, you were saying that wind power and hydrogen conversion projects would be privately funded. However, most specialists in this area know very well that, without public funding, it's difficult to get these projects off the ground. As a result, the federal government provides tax credits for clean electricity and hydrogen. I completely agree with this. The transition will require a boost in clean energy production.

I have a fairly simple question. Do you agree with carbon pricing?

[*English*]

Hon. Andrew Parsons: When I was speaking earlier, I meant a reference to Muskrat Falls. What I would say, as it relates to the provincial government, is that we will not be subsidizing, but I do believe that federal subsidies will be required for the development of these projects. I think it's a conversation that's already happening.

[*Translation*]

Mr. Mario Simard: Knowing that this requires public money and that this money certainly doesn't grow on trees, do you agree that the federal government should have a carbon pricing mechanism?

[*English*]

Hon. Andrew Parsons: What I would say in generality is that I do believe in climate change and I do believe that there are measures that had to be taken to address that. Again, it could require much longer than this committee has for us to get into the intricacies of that.

We do have a carbon pricing structure here in Newfoundland and Labrador that I voted in favour of.

[*Translation*]

Mr. Mario Simard: Thank you.

Mr. Rushton, I would like to ask you the same question.

Would you support an amendment to the bill that could resolve the conflict over use by prioritizing clean energy projects over oil and gas projects?

[*English*]

Hon. Tory Rushton: I guess what I would say is that there has to be coexistence. We know that fossil fuels have a pathway into that piece of the puzzle until 2050. We're happy, as a province, with where these amendments are and where they're going. I think we have to take the recommendations of the board wholeheartedly when they come forward.

The Chair: Thank you.

We'll now go to Mr. Angus for two and a half minutes.

Mr. Angus, the floor is yours.

Mr. Charlie Angus: Thank you.

You gentlemen don't look like you just fell off the turnip truck. You don't look like you were hoodwinked. It doesn't sound like this was imposed on you by the big, bad Justin Trudeau. We know that certainly New Democrats pushed for the investment tax credit so that we could match what the Biden government is doing. I hope that it gets to Newfoundland and Labrador and Nova Scotia quickly.

My Conservative colleagues did bring forward some really serious issues. They brought very credible witnesses from the fisheries who were concerned. The unfortunate thing was that they filibustered, so we weren't allowed to ask any questions. It was very difficult to find how we could move forward on the questions being raised by the fishers about their industry and the fragility of the fishing stocks.

Mr. Rushton, I'd like to ask if you've followed the testimony. Under the accord and the board, can we credibly address the issues that have been raised by the fishers?

• (1625)

Hon. Tory Rushton: Absolutely, regional assessments are taking place right now out in the field. The first report and conversations are due at the end of March.

We as a department are also already hearing from the fishers and other stakeholders out in the water. Quite frankly, we're not interested in pitting one industry against the other. In other parts of the world, industries do coexist out on the water. That's a pathway that we're looking forward to.

After the regional assessment, there will be a process for further consultation. Once the amendments are passed here and we're able to put them in mirror legislation in the province, there will be more consultation that takes place with the fishers. We're hearing from them now. We will continue to hear from them in the future.

Mr. Charlie Angus: Mr. Parsons, I'll end by asking you the same question, because to me and other New Democrats, we have to ensure that if we're building big projects, even if they are to help the climate crisis and create jobs and diversity, we're not impacting the fragile fish stocks and we're making sure fishers are viable. Again, it's unfortunate that some of these great witnesses were filibustered so they weren't allowed to speak, but are you hearing from them and are you committed to moving forward? Should this be done at the provincial level, or do we need to do it in amendments in Bill C-49?

Hon. Andrew Parsons: I don't believe amendments are required. I can say that our oil and gas and our fishing industries have coexisted for some time. In fact, I think that consultation will be a part of this. Prior to any project's going forward, it would have to go through an environmental assessment, for which there would be more specifics. Again, no one can overstate the importance of the fisheries, especially for this province.

Mr. Charlie Angus: Thank you.

The Chair: Thank you.

We are heading to our last two members for questions.

We'll go to Mr. Small for five minutes.

Mr. Small, the floor is yours.

Mr. Clifford Small: Thank you, Mr. Chair.

Mr. Parsons, I understand that you would like to see this bill rushed through and that if that doesn't happen there will be delays in investments. I can't quote you exactly here. You also said there are currently no prospects for offshore wind in Newfoundland and Labrador.

Why not take the time to examine this piece of legislation properly? I know you've watched these hearings—or your officials have—and you've seen what has been brought forward by the fishing industry. Is there a need to rush it through? Which is it? Is it delaying investment or are there prospects for offshore wind? Which is it, Mr. Parsons?

Hon. Andrew Parsons: I don't believe I said there were no prospects. I said that right now there are no projects that have been approved. In fact, there has been interest in our wind from offshore organizations for more than a decade. We're finally at a point now

where we feel we can move forward on that, but in order to do so we need a regulatory framework from which to operate. We feel this is the right regulatory framework for us. Certainly a lot of people—including my officials and me—have been a part of this. We would like to see this move forward.

Yes, I've had the FFAW reach out. In fact, we were supposed to meet and chat yesterday, but we had to cancel because of the storm. What I can tell you—and again, you know this full well—is that the fish harvesters have had to coexist with the oil and gas industry for decades now. We feel there's a coexistence that can happen here as well, and it will go through multiple environmental assessments.

Mr. Clifford Small: Thank you, Mr. Parsons.

You said it was expected that you would receive no bids on our offshore parcels in 2023 based on a declining interest in offshore oil and gas. In late January I helped six individuals here—I have their names on my screen—Cains, Murphy, Stevens, MacDonald, Pittman and so on, good Newfoundland and Labrador names—who were trying to get a work permit to go and work in India's offshore oil and gas, in fact in exploration, so the world of offshore oil and gas exploration and development is booming.

Do you agree with the federal government's approach and with Steven Guilbeault when he says that he wants to end the production of petroleum products?

• (1630)

Hon. Andrew Parsons: What I would say, and I think I've made it quite clear here during this testimony, is that this province supports oil and gas development. In fact, we support exploration. We will have multiple drilling opportunities this summer in our offshore. Talking about bids, in fact, any bit of research—and you could go to CBC on this—from 2020 shows that in that year there was actually a catastrophic drop in the number of bids.

Mr. Clifford Small: Thank you. I have one short question for your colleague, the minister from Nova Scotia.

I got a text this morning from a fish harvester in Cape Breton, who said the St. Anns Bank, I think it was, has a proposal for a 4,000-square-kilometre area to be used for the production of wind.

What do you have to say to those fish harvesters who will not be able to fish there? Do you feel they should be compensated? If so, who's going to compensate them? Is it going to be the taxpayers or the proprietors of offshore wind?

Hon. Tory Rushton: There's no application before this government for that to move forward. We don't have the amendments passed here in Bill C-49 to move forward, to even have that conversation. There's no application; there's nothing we're looking at as a government.

I believe the staff have certainly heard the concerns from those fishers, and we'll continue to have the conversations with that group.

The Chair: Thank you.

We will now proceed to our final five-minute round of questioning.

Mr. Samson, you have five minutes. The floor is yours.

Mr. Darrell Samson (Sackville—Preston—Chezzetcook, Lib.): Thank you, Chair.

Thank you to both of you for your testimony this afternoon. It's very much appreciated. You've been very specific in your answers, and I appreciate that. It's extremely important. It shows clearly that Nova Scotia and Newfoundland are strongly behind this bill, are supporting the bill, are part of the process and have played a role in this bill being what it is today. I thank you for that.

You know, the Atlantic Accord is supposed to be a nice story. It's supposed to be about the federal and provincial governments working together to help create more jobs, improve the economy and improve the lives of Atlantic Canadians, yet there's a sour taste in my mouth. I remember when the Conservative government—the Harper government—pretty well ripped up the Atlantic Accord. My colleague, Bill Casey, who was sitting on the benches with the Conservatives, was told he wouldn't be thrown out of caucus, but he was thrown out of caucus after voting against the budget to protect Atlantic Canadians.

Do you remember when that happened? I guess my first question is if you remember that.

Number two, why do you think the Conservatives don't want to support Atlantic Canadians? We're part of Canada, and we're a very important part of Canada.

Hon. Andrew Parsons: I'm not sure if this question is directed towards me or my colleague, but—

Mr. Darrell Samson: It's probably more for Mr. Rushton, but go ahead.

Hon. Andrew Parsons: As a member of the Government of Newfoundland and Labrador, we want to move forward with the development of our offshore resources. We have a very strong history of joint management under multiple governments—certainly far before my time and it will be well beyond my time—when it comes to our offshore oil.

We want to move forward into a new industry now. We are supportive of this legislation and we would like to see it.... Again, I have no issue with debate, but we would certainly like to see it passed so that we're able to move forward in the developments to come.

Mr. Darrell Samson: Thank you.

Mr. Rushton.

Hon. Tory Rushton: I would echo those comments. We have no issue whatsoever with questioning the amendments that are put forward. We have no issue with debate whatsoever.

For my department, working with our federal counterparts, it's been almost two years in the making, if not more, to get to this point.

We have people at our province right now willing to make investments. We look forward to the passage of this bill so that we can move forward with our green energy aspects.

Mr. Darrell Samson: Thank you.

You know, supply and demand are key here. We have the supply in Atlantic Canada. We have more wind than anywhere else in the world, and the demand is high right now. The world is looking for clean energy, and we have the potential. There are one trillion dollars to be invested. Do you not think we should be taking advantage of that?

What will it do for Newfoundland and Labrador and Nova Scotia, when we become leaders in the world in this energy?

Mr. Rushton, I'll start with you.

• (1635)

Hon. Tory Rushton: This gives me a final opportunity to emphasize how important this is to Nova Scotia. Many people are looking at Nova Scotia as a leader in wind. Sectors are already here, engaging and working on their plans.

We do need the amendments to pass to take the next steps with consultation, with setting up regulatory regimes and moving forward with this very important project to set the stage for Nova Scotia, Newfoundland and Labrador and Canada.

Hon. Andrew Parsons: What I could say to that is that I think we fully recognize the impact that this new industry will have on our province, which is why we've been quite bullish on it and any opportunities it will bring.

We feel it positions us quite strongly as a province that has fully relied on oil and gas for some time. We are not talking about that going anywhere, but we have an opportunity to move forward into a new field, with new jobs, new investment and new royalty regimes and benefits to Newfoundlanders and Labradorians. We want to move forward in that regard.

Mr. Darrell Samson: Thank you.

I feel like we have some gatekeepers here when we have a party that is opposing what both provinces want.

In Nova Scotia it's a very progressive Conservative government that's working with the federal government to help Canadians, Nova Scotians and Newfoundland as well. You know, I'm a little perplexed, because I look at the Conservatives and I hear them every day in the House talk about jurisdiction, but doesn't this seem like "Ottawa knows best" from the Conservatives? It doesn't matter what the provinces said; the Conservatives think it's wrong, so it's wrong.

Do you have any comments on that?

The Chair: Ministers, if you'd like to comment, I'll ask you to do so very quickly, please, because we're at the end.

Minister Rushton, were you about to comment? You can do so very quickly, if you'd like to. No? Thank you.

Thank you for taking your time, honourable ministers, to come to the Standing Committee on Natural Resources. It's been an honour and privilege to have both of you here to provide important testimony. Thank you to you and your teams for attending.

We will now suspend for about five minutes to change panels.

Thank you.

• (1635) _____ (Pause) _____

• (1640)

The Chair: I call this meeting back to order.

Pursuant to the order of reference of Tuesday, October 17, 2023, and the adopted motion of Wednesday, December 13, 2023, the committee is resuming consideration of Bill C-49, an act to amend the Canada-Newfoundland and Labrador Atlantic Accord Implementation Act and the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act and to make consequential amendments to other Acts.

Since today's meeting is taking place in a hybrid format, I would like to make a few comments for the benefit of members and witnesses.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your microphone, and please mute yourself when you're not speaking.

For interpretation, for those on Zoom, you have the choice, at the bottom of your screen, of either floor audio, English or French. For those in the room, you can use the earpiece and select the desired channel.

I will remind you that all comments should be addressed through the chair. Additionally, screenshots and taking photos of your screen are not permitted.

In accordance with our routine motion, I'm informing the committee that all remote participants have completed the required connection tests in advance of this meeting.

With us today for the second hour, we have the Brazil Rock 33/34 Lobster Association, with Daniel Fleck, executive director; the Ecology Action Centre, with Shannon Arnold, associate director, marine programs; Marine Renewables Canada, with Elisa Obermann, executive director; the Membertou Development Corporation, with Chief Terry Paul; and from Net Zero Atlantic, Alisdair McLean, executive director.

Welcome.

We will now proceed with opening statements, beginning with Mr. Fleck from Brazil Rock for five minutes.

The floor is yours, sir.

Mr. Daniel J. Fleck (Executive Director, Brazil Rock 33/34 Lobster Association): Thank you, Mr. Chair. I would like to begin by thanking the committee for inviting the Brazil Rock 33/34 Lobster Association to provide our testimony on Bill C-49.

The membership of Brazil Rock represents thousands of hard-working families plying the waters of lobster fishing areas 33 and 34. These are lobster fishers who call the waters of Nova Scotia home. Of the \$2.6 billion in seafood exports from the province of Nova Scotia, our members toil in the most productive regions of the fishery, meaning that any impacts would reverberate across the economy of the province.

The Brazil Rock 33/34 Lobster Association is an active participant in the fisheries advisory processes operating in the region, including the fisheries advisory committee of the C-NOSPB, which was much lauded in last week's testimony. We feel it is important to highlight that our ability to get answers relating to the real-world implications of Bill C-49 for our sector has been highly challenged by the apparent approach that the fishing industry should be spoken to only after the bill had been tabled and purely in an informal information session with limited accommodation by staff of the responsible departments. In short, we were asking important questions but not receiving the answers that shed any sort of real insight on the issues before us.

Many of our questions you have already heard from other witnesses associated with the fishing industry. For instance, how is the legislation that is before you appropriate for offshore wind energy or other marine energy production? During the initial drafting of the accord legislation, the only energy projects being pondered in the offshore areas were restricted to oil and gas, and there was incredible focus on the development of suitable legislative tools to ensure that development was safe and well thought out. However, the legislation before us merely amends the initial legislation to accommodate renewables, so it is fundamentally unchanged from the original legislation, with the content applicable primarily to the oil and gas sector and failing to realize the advancements made around the world.

How does this legislation empower outcomes of processes such as regional assessment, which the industry is actively engaged in? As the legislation reads, any guidance from those processes is only loosely being considered as a guidance. Why should I ask my association members to take time away from their enterprises to inform an assessment process that can be ignored by the regulator when selecting areas for development?

The legislation is also mute on impact agreements and otherwise for anyone outside the provincial or federal governments. In other jurisdictions, offshore energy proponents undertake real legal agreements with local fishers and/or communities to ensure that any potential lost income resulting from development is acknowledged and accounted for on the front end of a development process. This legislation is intentionally silent on the matter. We have an opportunity to create a legal requirement that robust, transparent and public agreements be achieved that would be to the benefit of those most impacted by the development. We should take that advantage.

Furthermore, any damages needing consideration for compensation are restricted to incidents, namely when an event such as an oil spill or a piece of infrastructure negatively impacts a piece of fisher infrastructure. This creates a glaring gap for fishers who may directly be impacted by reduction in fisheries productivity caused by the offshore wind development. This issue has long been a concern of the fishing industry related to oil and gas development, and we are dismayed that this input has again been ignored by this piece of legislation before you.

We have much to learn from other jurisdictions on what to expect from an offshore wind development that fails to be considered in the development of this legislation. For instance, we find that while some regulators and developers suggest harvesting activity can be undertaken in an offshore wind farm development, the insurance industry in other jurisdictions refuses to provide coverage for those operations, citing unacceptable risks. No harvester would risk their multi-million dollar investment under such conditions. Where can mitigation of this issue be found or even pondered by the current legislation?

Our members are not opposed to reasonable, responsible offshore wind development in any way, but we can only move forward when the legislative framework that supports development is sufficiently robust to ensure that the interests, livelihoods and communities of existing users of the marine environment are maintained.

We realize that this legislation is being rushed to completion, but we encourage you to take the extra week to develop a framework that highlights Canadian leadership on the issue. A few short weeks of effort will not lead to profound delays in development off our shores, nor will it imperil commercial interest in the Canadian development.

• (1645)

The wind isn't going anywhere, and the technology to harness this wind in a safe and reliable fashion is only improving day after day. Take the time and build good legislation that is appropriate for the matter at hand.

In short, on behalf of our members, here is our ask of you: Please consider in the legislation the development of a royalty- or revenue-based fund that can be held and employed to support and compensate harvesters and communities that may be directly or indirectly impacted by large-scale renewable energy developments off our shores.

Thank you for this opportunity.

The Chair: Thank you, Mr. Fleck. We'll now proceed to the Ecology Action Centre.

Shannon Arnold, you have five minutes. The floor is yours.

Ms. Shannon Arnold (Associate Director, Marine Programs, Ecology Action Centre): Thank you, Mr. Chair, for the opportunity to address the committee.

My name is Shannon Arnold. I am the associate director of marine programs at the Ecology Action Centre. We're based in Halifax, Nova Scotia.

For over 50 years, the Ecology Action Centre has taken leadership on critical environmental issues, from biodiversity protection to climate change to environmental justice.

I have worked in the fisheries, aquaculture and seafood worlds in Canada and globally for 15 years. Our marine programs support sustainable fisheries and ways of living off the ocean with the aim of keeping coastal communities thriving and the ocean we all depend on healthy for generations to come. We sit on regional, national and international fishery advisory committees and on marine planning and protection tables. Together with colleagues in our energy program, we are currently involved in the regional assessment for offshore wind development in Nova Scotia.

We would like to express our overall support for the much-needed amendments that Bill C-49 brings to the accord acts. We are facing a climate crisis that calls for a swift transition towards renewable energy.

In Atlantic Canada, or Mi'kma'ki, rapid shifts in our waters due to climate change are already affecting our coastal communities. More intense storms are damaging infrastructure and posing greater risk to those at sea. Fish and lobster are relocating to new areas, altering traditional fishing grounds. Changes in whale migration routes are leading to increased interaction with fisheries and shipping, and these impacts are being felt economically, socially and culturally.

While new and cleaner energy sources like offshore renewables will impact some fisheries, these impacts will pale in comparison to the far-reaching consequences of unchecked climate change on our marine ecosystems. Offshore renewable energy will likely play a critical role in our energy transition, and Bill C-49 ensures that the regulatory regime needed to support this transition is in place. As we adapt, though, equity, community benefits and the rebuilding of biodiversity must be centred.

To that end, we are pleased to see provisions in this bill that will allow regulators to prohibit offshore energy, both oil and gas and renewables, in marine conservation areas, as well as the ability for the federal and provincial ministers to jointly cancel existing oil and gas interests in conservation areas. This power is critical in enabling Canada to meet its international commitments to protect 30% of our oceans by 2030 and to ensure that this marine protection is strong and of high quality. We're also pleased to see provisions introduced that support increased public hearing options for the offshore boards.

However, if offshore renewable energy is to deliver on the promise of a sustainable energy future for the region, the government must ensure that this bill and the assessment processes on projects to come are an improvement on ways we have evaluated industrial development in the past. We would like to see the bill ensure that calls for bids are issued only in areas with a completed strategic and regional assessment. These highest-level assessments must consider socio-economic and ecosystem impacts, cumulative effects and long-term sustainability objectives. This planning and assessment stage is essential for fostering participatory decision-making and establishing clarity on shared use and priorities for all rights holders and stakeholders. Individual project-specific impact assessments should follow. The bill should require that these strategic and project-level assessments be conducted.

Clear provisions for full and meaningful participation in planning and assessment processes must be included alongside dedicated funding to support this requirement. Strong planning with inclusive participation will be crucial for minimizing conflicts and achieving coexistence and shared use.

We support the submissions of our colleagues at East Coast Environmental Law with regard to further details on any proposed amendments.

The nascent offshore renewable energy sector offers an opportunity to depart from the exploitative and destructive legacy of previous industrial uses of our ocean. We cannot repeat patterns of energy development profiting large corporations at the expense of ecosystems and local community well-being.

As an environmental advocacy organization, we do not take lightly the potential social, cultural and ecosystem impacts of offshore renewable energy, and we share some of the concerns expressed at this committee by others.

However, the climate and biodiversity crises compel us to act urgently yet with care. We reaffirm our general support for Bill C-49 and emphasize the crucial need for both the bill and the broader government climate strategies it is a part of to address concerns and impacts from the outset. This includes guaranteeing stringent ecological protection, safeguarding coastal livelihoods and habitats, providing extensive opportunities for participation and collaborative planning, involving fisheries expertise from the outset and prioritizing the greening of our regional energy grid first for local community energy benefits.

Thank you for this opportunity, and I welcome questions.

● (1650)

The Chair: Thank you for your opening statement.

We will now go to Marine Renewables Canada and Elisa Obermann for five minutes.

Ms. Elisa Obermann (Executive Director, Marine Renewables Canada): Good afternoon, and thank you to the committee for inviting me to attend today's meeting. I am really appreciative of the opportunity to provide some insight on how critical Bill C-49 is for the offshore wind industry and the members I represent here today.

My name is Elisa Obermann. I am the executive director at Marine Renewables Canada, or MRC. It's a national association representing the offshore wind, tidal, wave and river current energy industry. We represent about 180 members, including technology and project developers, suppliers, researchers and communities.

Many of those members are focused on realizing offshore wind development opportunities in Canada, including companies already developing offshore wind projects internationally, as well as numerous suppliers with decades of experience working in Atlantic Canada's offshore and marine industries. To support these interests, MRC has been advocating for a supportive and predictable regulatory path that can both catalyze growth and ensure sustainable development in the sector.

With some of the best offshore wind resources in the world, developing this new sector could help address several of Canada's clean energy and net-zero goals, spur economic opportunities and create new jobs. We view Bill C-49 as being critical to realizing these opportunities and advancing offshore wind in Canada for several reasons.

First, time is of the essence. Canada is already competing against many other jurisdictions that have mature regulatory frameworks for offshore wind in place. Investors will go to the countries that have both an attractive energy resource and a clear regulatory regime. Bill C-49 establishes the regulatory path and certainty that are needed in Canada now.

Delays in establishing a regulatory framework not only impact Canada's competitiveness but also delay the economic opportunities, local jobs and clean electricity that would result from offshore wind development.

Second, amending the accord acts builds upon existing and proven frameworks that will allow Canada to develop offshore wind efficiently and effectively. Leveraging the regulatory experience of the offshore boards and working within a framework that the provinces are familiar with and helped to establish creates a strong foundation for this emerging sector. This approach is not unique. Other jurisdictions seeking to diversify their energy mix and enable a transition to cleaner energy resources have also leveraged offshore oil and gas regimes and regulatory experience to support offshore wind.

Third, establishing a regulatory framework is a critical first step amidst the other initiatives under way. We recognize that Bill C-49 is not designed or intended to cover every aspect of the regulation of offshore wind, but it will impact how and when offshore wind can be developed in Canada. Delays to enacting this law have ramifications on parallel initiatives, including Nova Scotia's target to begin leasing offshore wind in 2025.

I also want to say that, while we believe it is critical to move swiftly to have a regulatory framework established, we also recognize that this is a new industry for Canada. It must be developed responsibly, with the scientific rigour required to maintain the integrity of marine ecosystems and with respect for the inherent legal and treaty rights of our indigenous communities. That same respect must be extended to local residents and other ocean users. To that end, MRC and its offshore wind developer members have been working to foster an early two-way dialogue with fisheries, communities, environmental organizations and indigenous groups to understand concerns, share information about offshore wind and find areas of co-operation and collaboration.

In closing, I would like to emphasize that, given the critical importance of establishing a regulatory framework for offshore wind, Marine Renewables Canada supports Bill C-49 without any additional amendments and encourages the Standing Committee on Natural Resources to adopt the bill in a timely manner and move it to the next stage of review and consideration.

We are confident that the contents of Bill C-49, along with parallel processes and initiatives under way at provincial and federal levels, establish the regulatory certainty that is needed by industry to make critical investment decisions and, ultimately, develop offshore wind in Canada.

Thank you very much.

• (1655)

The Chair: Thank you for your opening statement. We'll now go to Chief Terry Paul from Membertou Development Corporation.

Chief, welcome. You have five minutes for an opening statement.

Chief Terry Paul (Chief Executive Officer, Membertou Development Corporation): Thank you, Mr. Chair, for allowing me to speak to the committee.

Good afternoon. It is my pleasure to be here with you to talk about Bill C-49.

As chief in Membertou, our Mi'kmaq community located on Cape Breton Island, I can tell you we are focused on two things. The first is creating economic opportunities for our community and the Atlantic as a whole. The second is investing in projects that will generate long-term stability for our people.

At the core of everything we do are the people we do it for: our community members. With every major project we take on, we do our due diligence to ensure that it aligns with our Mi'kmaq values while also pushing our community forward. This is why we support the intent of Bill C-49.

Through this bill, we can enable the development of offshore wind in Nova Scotia. Membertou is an equity partner in proposed offshore wind developments that have the potential to positively shape the entire landscape of our island.

Traditionally, indigenous Canadians were not invited to participate in major industry projects. I am proud to say that is changing. When we all work together, great things happen. We truly believe that an offshore wind industry can coexist with other industries in a sustainable manner.

Membertou has operations in sustainable seafood, as well as offshore and inshore commercial fisheries, which will not be impacted by these developments.

It is important to note that broad consultations, including comprehensive environmental assessments, will be undertaken before offshore proponents will receive the necessary approvals from all levels of government. Ensuring that habitats are protected is at the heart of these processes, and that is made clear in the proposed legislation. This is a value that is very close to us and of the utmost importance.

As Mi'kmaq, we want to be part of the solution in fighting climate change. We recognize that the development of this industry is needed in the global climate crisis and to meet the net-zero targets put in place by the government.

As a major harvester in the offshore fleet, we know that any forthcoming plans for offshore wind development will be developed thoughtfully and to fully protect this and any other sensitive areas.

We will continue to work with all interested and involved parties to ensure that we create new opportunities for our people while also protecting the industries that remain critical to our way of life.

Thank you for providing me with an opportunity to speak to you today.

Wela'liog.

• (1700)

The Chair: Thank you, Chief, for your opening statement.

We'll now proceed to Net Zero Atlantic and Mr. Alisdair McLean.

You have five minutes, sir.

Mr. Alisdair McLean (Executive Director, Net Zero Atlantic): Thank you, Mr. Chair. I appreciate the invitation to offer some input into Bill C-49.

I am a professional engineer and the executive director of Net Zero Atlantic, which is an independent, not-for-profit research association with a mission of enabling the transition to a carbon-neutral future in Atlantic Canada. We lead applied research, contribute to projects, and provide credible and objective data for public discussion.

Net Zero Atlantic supports Bill C-49. We specifically support expanding the mandate of the offshore petroleum boards of Nova Scotia and Newfoundland and Labrador to be offshore energy regulators. We encourage the rapid passing of the legislation.

In 2020, our team at Net Zero Atlantic was curious as to why offshore wind wasn't part of the conversation about clean electricity in Nova Scotia, so we dug into the numbers. In the spring of 2021, we presented our results at a conference in Halifax.

We found that by the 2030s, offshore wind could produce electricity at lower costs than onshore wind in Nova Scotia. Since then, we've contracted experts to produce reports on topics that include how to simulate offshore wind development, access to U.S. electricity markets, and best practices for stakeholder and rights-holder engagement.

We have a request for proposals open now for an expert to study how the offshore wind industry would impact the Atlantic Canadian electricity grid.

Further, for the past two years we've been extending our research with community engagement, starting in Nova Scotia. Together with Mi'kmaq leaders and our other partners, we've been building local capacity in Mi'kmaq, rural and other equity-deserving Nova Scotia communities with respect to offshore wind.

Canada's offshore Atlantic coast and the research needed to identify and reduce the risk of human activities in the area require dedicated, careful and knowledgeable attention. Before we became Net Zero Atlantic, our geoscience research focused on the exploration risk for offshore oil and gas in the Atlantic. As OERA, we contributed to a thorough evaluation of Nova Scotia's offshore geology. The analysis helped to track \$2 billion in work commitments from multinational energy companies, some of which are now active in the offshore wind space. It was during that work that we first engaged with the staff at the CNSOPB, so we've known them for years.

The CNSOPB has experts on staff with prior knowledge of the likely areas for offshore wind development. The organization has decades of geological survey, weather and ocean data. They also have excellent data storage and retrieval tools, thus reducing the cost and complexity of future data storage and analysis.

Although it's outside our field of expertise, we've seen that they have professionally run land-tenure processes and regulated, safe offshore industrial activities, including exploration, construction, operation, maintenance, decommissioning and abandonment. These are all activities that are directly related to offshore wind.

Aegir, a Danish offshore wind expert that we engaged for one of our studies, shared the following recommendation: "One-stop-shop concepts of one authority coordinating key permits make for an efficient process with less delays and lower market risk perception."

That one-stop shop is what the CNSOER and C-NLOER would provide.

Through Net Zero Atlantic's research and engagement, we know that offshore wind can contribute to Canada's greenhouse gas reduction targets while also generating economic opportunities for Canadians. Atlantic Canada is blessed with strong winds, large areas of shallow water, suitable geology and an active maritime economy.

Electricity from offshore wind in Atlantic Canada can be produced at a similar or lower cost than that in the United States. Green ammonia produced from offshore wind energy could be delivered to Europe at similar or lower cost than production in Europe. Given this, Atlantic Canada is well positioned to become a global player in the industry.

However, the market for investment is competitive. There are at least 19 countries with offshore wind targets for 2030. Canada is the only G7 country without an operational offshore wind industry today.

Developing an offshore wind industry in Atlantic Canada will bring significant economic opportunities to a region that currently has a lower than average GDP per capita. Canada, Nova Scotia and Newfoundland and Labrador need an offshore wind regulator and a regulatory regime in place without delay.

Net Zero Atlantic supports the proposed amendments to the accord acts, as outlined in Bill C-49.

I would like to finish by observing that in September of last year, a Canadian company, Northland Power, secured \$5 billion in funding for a one-gigawatt offshore wind project in Taiwan.

● (1705)

If we put the elements in place for a sustainable, equitable offshore wind industry, perhaps their next project will be at home.

Thank you for the opportunity to provide my statement. I look forward to any questions.

The Chair: Thank you for your opening statement.

We'll now proceed to our first and only round of questions for today, which will be for five minutes each.

I'll go to the first member, Mr. Clifford Small from the Conservative Party of Canada, for five minutes.

Mr. Clifford Small: Thank you, Mr. Chair, and thank you to the witnesses for coming to take part in our important study.

Mr. Fleck, I'm going to start with you.

I had a text this morning from Michael Barron, a lobster and crab fisherman from Cape Breton Island. He said there are plans to create a 4,000-square-kilometre wind farm off Cape Breton on St. Anns Bank. He says he'll be forced into early retirement.

How many lobster traps can go on a 4,000-square-kilometre patch of the ocean floor, do you think, Mr. Fleck?

Mr. Daniel J. Fleck: I'd say thousands upon thousands and tens of thousands.

Mr. Clifford Small: That's tens of thousands. You're talking about enough fishing gear to support 35 to 50 families, would you say?

Mr. Daniel J. Fleck: Yes, sir.

Mr. Clifford Small: That's just enterprises. There are the crew members as well.

Where would a guy like Michael go to catch lobster to provide for his family and his crew if he could no longer fish on his traditional grounds?

Mr. Daniel J. Fleck: I don't think he will be able to.

I'm not a biologist by any means, sir, but it takes a lobster seven years to go from a larval stage or an egg until it's able to be harvested at a legal size. Michael or anyone in that situation might not see the ramifications of that for seven years. That's if there are going to be lobsters there, amongst that apparatus.

Mr. Clifford Small: There's no mention of compensation to fishermen for loss of livelihood in situations in which they lose access to fishing grounds. Would you like to see an amendment in this bill to address that situation?

• (1710)

Mr. Daniel J. Fleck: I would. I can't quote the section. I don't have it right here in front of me. We looked at the legislation they were using when offshore oil and gas was developed. If we're talking about applying that same language to offshore wind, basically if a fin or propeller flies off a windmill and strikes a boat or damages some gear, they might take care of that gear. There's no talk of actual compensation for that fishing operation that's put out of business because it's lost that ground and the fish are gone.

Mr. Clifford Small: Who do you think should be responsible for compensating fish harvesters for loss of livelihood? Do you think it should be the taxpayer, or do you think it should be the proponents of wind energy development?

Mr. Daniel J. Fleck: I would hope it would be integrated into the legislation now that the proponent should put that money up in case something like this developed or we became aware of it six, seven or eight years down the road.

Mr. Clifford Small: In the coming weeks, will your group be putting amendments forward to the committee? I think we have

about a month to get them in. Are you working on any amendments right now?

Mr. Daniel J. Fleck: Excuse me, sir. To clarify, do you mean written submissions to this committee?

Mr. Clifford Small: Yes.

Mr. Daniel J. Fleck: Yes, sir, we will. We're active with the Impact Assessment Agency. We're hoping the recommendations from the Impact Assessment Agency and the regional assessment will be enshrined in this legislation.

Mr. Clifford Small: Why are fishermen so concerned about not having an adequate seat at the table and about their voices being neglected? That's basically what's been coming forward to us from the fishing industry. What leads the fishing industry to think that way?

Mr. Daniel J. Fleck: Well, it's a 450- or 500-year-old fishery that's been feeding people in Canada and around the world. They're quite nervous about having thousands of tonnes of concrete or whatever else for this construction placed in these shallow waters—and it has been mentioned before that this is where they want these to go—in the prime fishing areas, for technology that might be obsolete in 10, 15 or 20 years.

Mr. Clifford Small: If the consultation process were proper, would there be compromises? Could the proponents of offshore wind locate their projects in areas that are possibly dead zones for fishing? You personally probably know that some areas are just not productive. Could you work together to work out compromises like that?

Mr. Daniel J. Fleck: We are looking forward to being able to work together on that very subject. We're working now with DFO on marine protected areas. We bring our concerns and our comments forward. We're heard. We don't know that we're always listened to, and the decisions don't always align with what we've suggested.

Mr. Clifford Small: Thank you.

The Chair: On that note, we will now proceed to our next member, Mr. Sorbara, for five minutes.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Thank you, Mr. Chair. It's nice to see everyone this afternoon.

I'd like to start off with Alisdair McLean.

Mr. McLean, I wrote down some of the comments that you made in your remarks: a regulatory regime in place without delay; global power and offshore wind and the potential thereof; and significant opportunities for an offshore renewable sector. You also mentioned Northland Power and their business activities off Thailand. They also have significant business activities off Poland. As president of the Canada-Europe Parliamentary Association, I visited Northland Power's offices in Poland when we went there on a country visit about two years ago, and I can tell you that, I agree with you, there are significant opportunities around the world, but there's also a significant opportunity in Canada.

With that, I would like for you to re-emphasize just how big the significant opportunity is off the east coast of Canada and, secondly, how competitive that jurisdiction is, relative to the rest of the world, in producing renewable power.

Mr. Alisdair McLean: First, on how competitive the region is, it is world-class. Everyone who has been to Atlantic Canada knows it's very windy. That's easy, but it's not just the wind. It's the combination of the wind, the sea depth and the geology. It's a very attractive area for the offshore wind industry, and I'm not sure there would really be many better areas in the world.

• (1715)

Mr. Francesco Sorbara: Secondly, as we all know, we need a robust regulatory system in place to allow that development to occur, and Bill C-49, I take it, would be a large piece of that regulatory apparatus.

Mr. Alisdair McLean: Yes, there's no question about that. The offshore energy regulators are going to be an essential component to making sure there's a good regulatory process in place and we have an industry that's sustainable and inclusive going forward.

Mr. Francesco Sorbara: Thank you, sir.

To Elisa from Marine Renewables Canada—

The Chair: Mr. Sorbara, I'll ask you to pause for a second.

Colleagues, a 30-minute bell is ringing. Is there unanimous consent for us to finish with our round? We will finish on time. That will give colleagues an ample amount of time to get back to the House to vote in person, if required.

Do we have unanimous consent?

Some hon. members: Agreed.

The Chair: Thank you.

Go ahead, Mr. Sorbara.

Mr. Francesco Sorbara: Unanimous consent. It's always good when we all work together in a collegial manner. I love it.

To Elisa from Marine Renewables Canada, I listened intently to your testimony as well. In this transition that is happening around the world to renewable energy, in your view, how will this legislation bring certainty for proponents looking to build renewable energy projects off the east coast of Canada?

Ms. Elisa Obermann: At this point, there really isn't a path for projects to move ahead, particularly in areas where there would be joint management. You would be dealing with two different governments on trying to get a project to move forward. To me, number one, that is very important, and this legislation does that.

The other thing I mentioned during my remarks is also just timing. The fact that this legislation is being considered, obviously, will bring certainty as well once it is established, to both very important aspects of development and attracting investment to Canada.

Mr. Francesco Sorbara: Thank you.

Mr. Chair, I will stop there, seeing we are 13 minutes away from a vote. I know my colleagues will have questions.

The Chair: Thank you, Mr. Sorbara.

We'll now go to Mr. Simard for five minutes.

[*Translation*]

Mr. Mario Simard: Thank you.

Ms. Arnold, would you support an amendment to the bill that resolves the issue of conflicts over use? If a renewable energy project conflicts with an oil and gas project, the renewable energy project should take precedence. Would you support this type of amendment?

[*English*]

Ms. Shannon Arnold: I'll probably defer to my colleagues at East Coast Environmental Law as to whether there needs to be an amendment for that or not, but we have put forward an idea that we want to see in the "purpose" section. We would like to see it reflect the mandate of the new acts and aim to include language that we're looking at, about renewable energy transition and acknowledging the urgency of moving away from climate change and fossil fuels.

We would prefer that this really be dealing with offshore renewable energy and making a move, as much as possible, away from fossil fuels immediately.

[*Translation*]

Mr. Mario Simard: Thank you.

I'll turn to you, Mr. McLean. In your presentation, you spoke about a study that you conducted in 2021. The study showed that offshore wind could be a better option than onshore wind.

I don't know whether you have any figures, or whether you have conducted an analysis regarding a shift in the economy of Newfoundland and Labrador, for example, from the oil and gas sector to the renewable energy sector through wind power.

• (1720)

Mr. Alisdair McLean: Thank you for your question.

[*English*]

The study we did used publicly available data to understand the comparison between offshore wind off the coast of Nova Scotia versus onshore wind projects in Nova Scotia. Our study wouldn't include an evaluation of the comparison in Newfoundland and Labrador.

[*Translation*]

Mr. Mario Simard: Okay. Thank you.

I'll ask you the same question that I put to the others.

Would you support an amendment to the bill that prioritizes renewable energy projects over oil and gas projects in the event of a conflict over use?

[English]

Mr. Alisdair McLean: Please remember, Monsieur, that my field is science, not law or legislation, so our view would be that the offshore energy regulator is the correct body to sort out those sorts of issues. We would hope that we might be able to have an opportunity to provide some science or some data to help people make their decisions.

[Translation]

Mr. Mario Simard: Thank you.

That's all, Mr. Chair.

[English]

The Chair: Thank you, Mr. Simard.

We'll now go to Mr. Angus for our final five minutes.

Mr. Charlie Angus: Thank you so much.

Chief Paul, I want to begin with you and ask you, because of the importance of sustainability and the obligation that the federal and provincial governments have to work with and have consent with indigenous peoples, do you feel that this process has included the voice and respects the interests of your people?

Chief Terry Paul: Yes, I believe so, from what our discussions have been. As I mentioned, we are a player in this industry. We certainly want to make sure, whatever its development, that the project is not only beneficial but necessary, and that it aligns with our values and desire to contribute to the fight against climate change.

I can't speak for all, but in our case, representing Membertou, we feel that they have the consent of the Mi'kmaq.

Mr. Charlie Angus: Thank you for that.

Mr. McLean, I want to follow up. I was really struck by the fact that Canada is the only G7 country not in the game on offshore wind. My Conservatives colleagues seem to think that the price is really high and that it's going to be subsidized, but, from what I've been reading, once these projects are up and running, it really drives down the cost of power. Is that not correct?

Mr. Alisdair McLean: An important part of the offshore wind price advantage is the size of the turbines. They can be much larger than what's possible on shore. We're seeing 16-megawatt to 18-megawatt turbines, so they are an important contributor to the price coming down. What we're seeing in the industry is that those turbines are getting bigger and bigger, so, with more and more experience, we'll continue to see the price come down.

Mr. Charlie Angus: I guess the issue is that Canada is sitting on the sidelines; we're arguing, and it's being filibustered here. The U.S. is driving ahead. At a certain point it's going to be hard to get investors. If the cost of what is being produced out of the U.S. is much cheaper, bringing investors here to start from scratch when they are going to be producing low-cost power would be difficult. Not only would it be hard for us to get investors, but they could start to sell excess power. Is that not a concern that we should have in terms of being able to compete?

Mr. Alisdair McLean: I think the idea of looking at the competition for investment on a global basis is very important. That's why Net Zero Atlantic supports this legislation. We think it's important

to get the offshore energy regulators in place so that they can be the focal point for the discussions required by investors coming into the jurisdiction.

Mr. Charlie Angus: Thank you.

My final question is for you, Ms. Arnold. We've heard some pretty powerful and emotional testimony from the fishing unions in terms of the impacts of climate change that they're seeing on fish stocks. We saw a letter done by atmospheric scientists who said that the temperatures in the North Atlantic at the beginning of this new winter year were literally, they said, off the charts. We see threats now to the sustainability of the Gulf Stream, the Atlantic lung system.

What are you seeing for Atlantic Canada in terms of the immediate threat from climate change? Where are we going from here if we don't take action on reducing carbon emissions?

• (1725)

Ms. Shannon Arnold: I mentioned a few things in my presentation. We are seeing it every day, more and more, with increasing storms. As I said, there are species that are moving. That means different impacts for fisheries—who can access those, who gets to fish and where they get to fish.

I think we ourselves are struggling with the balance and complexities. It's calling on us to act with urgency, but we're not ignoring it or pretending that this shift won't be difficult. We all need to sit down and figure that out. We do think that strong planning processes should be required to be able to do that and find that way forward. As you know, climate change is already impacting fisheries, aquaculture and other ways of life. We have to reduce emissions, get off fossil fuels as fast as we can, and not ignore, but take seriously, those concerns.

Things will shift, but we can find ways to codesign research and codesign planning and figure out what our priorities are moving forward to get to clean energy and mitigate some of those impacts as quickly as we can.

Mr. Charlie Angus: Thank you very much.

Thank you, Chair.

The Chair: Thank you.

I want to thank all the witnesses for joining us today. If you'd like to submit a brief, please do so through the clerk. Thank you for your testimony today and for appearing for the study.

This concludes our hearings regarding Bill C-49. I have a final reminder for our members regarding the committee's study of the bill. As per the updated memo, all amendments, including sub-amendments, must be submitted in writing and sent to our committee clerk by Wednesday, February 21, 2024, at 4:00 p.m.

Should you wish to propose amendments during the clause-by-clause consideration, please send the legislative counsel, Marie Danik, your written instructions as soon as possible. She will ensure that amendments are drafted in the proper legal format.

We will commence the clause-by-clause consideration of the bill on Monday, February 26.

That concludes this meeting. Is it the will of the committee to adjourn?

Some hon. members: Agreed.

The Chair: The meeting is adjourned.

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