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The Honourable John Williamson
Chair, Standing Committee on Public Accounts
House of Commons
Ottawa, Ontario
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Dear Mr. Williamson,

As agreed upon in the Government Response to the Twenty-Sixth Report of the Standing Committee on Public Accounts, entitled *Report 2, Greening Government Strategy*, National Defence submits an update to Recommendation 6, due June 15, 2023.

Sincerely,

Bill Matthews

Enclosures: 1

Canada 

**Response to the Standing Committee on *Public Accounts* – February 2023
Report on Greening Government Strategy
Update on Recommendation 6**

Recommendation 6 – On Identifying Risks and Mitigation Measures (National Defence)

That, by 15 June 2023, National Defence provide the House of Commons Standing Committee on Public Accounts with a progress report outlining the activities that will contribute to greenhouse gas emissions reductions and its risk management approach. A final report should also be provided by 31 March 2024.

Background

In the Spring of 2022, the Office of the Auditor General made one recommendation to National Defence as part of its Report by the Commissioner of the Environment and Sustainable Development to the Parliament of Canada, Report 2 on Greening Government Strategy. The Report recommended that National Defence identify and prioritize activities that will significantly contribute to greenhouse gas (GHG) emission reductions.

National Defence agreed with the recommendation and responded with a Management Action Plan (MAP) indicating that a risk assessment approach would be formalized and results would be included for consideration in the Corporate Risk Profile. National Defence also indicated in the MAP that it would document mitigations to lower risk exposure and that these results will inform a reduction of real property (RP) GHG emissions by 90% of the 2005 baseline in order to attain a net zero portfolio by 2050.

In February 2023, the Standing Committee on Public Accounts (PACP) tabled its Report 2 on Greening Government Strategy (Report), which included one recommendation for National Defence concerning GHG reduction and mitigation.

In its June 2023 Government Response to the Report, National Defence confirmed its commitment to achieving a net-zero RP portfolio by 2050 and highlighted current efforts. This update builds on the Government Response and provides a more detailed account to the Committee on Recommendation 6.

Update to Committee

National Defence is committed to achieving the Government of Canada's sustainability goals as set out under the Greening Government Strategy (GGS). It has undertaken several lines of effort with respect to reducing GHG emissions and developing a risk management approach.

Reducing Green House Gas (GHG) Emissions

To help meet its emissions targets, National Defence has leveraged Public Services and Procurement Canada's new contracts for clean electricity. Doing so has enabled National Defence to now draw over 70% of its electricity consumption from clean provincial power grids. It has also made significant investments to reduce RP emissions at wings and bases across Canada.

For example, National Defence's first net zero building was completed in December 2021 at Canadian Forces Base (CFB) Gagetown in New Brunswick and was confirmed as operating at fully net zero in July 2022, based on energy consumption data. The success at CFB Gagetown will help inform National Defence's efforts elsewhere and net zero options will be considered for all other new infrastructure projects.

In addition, National Defence has recently accelerated the pace and the scale of its implementation of Energy Performance Contracts (EPCs) across its infrastructure portfolio. These mechanisms enable the private sector to apply energy efficiencies to building systems, helping reduce National Defence's GHG emissions, while paying down the initial investment through the utilities savings they have achieved.

National Defence has now assessed 85% of eligible bases and wings for their potential implementation of EPCs and has further implemented EPCs at 50% of bases and wings. This includes CFB Esquimalt and CFB Petawawa where EPCs are reducing emissions through lighting efficiency upgrades, boiler plant and mechanical work, building automation/optimization and scheduling, work on building envelopes (windows and insulation), and Peak Shaving (Hydro Power Management).

To support whole of government efforts in greening its operations, National Defence developed the Defence Energy and Environment Strategy (DEES 2020-23) which outlines its commitment to reduce RP GHG emissions by 90% and achieve a net zero RP portfolio by 2050.

The latest [2021-2022 DEES](#) results report, published in October 2022, indicated that National Defence's RP GHG emissions have already been reduced to 36% below 2005 levels. (The Greening Government Strategy interim target is to achieve a 40% GHG reduction from RP by 2025).

This fall, National Defence will issue a Defence Climate and Sustainability Strategy (DCSS). The DCSS will replace the DEES, report on the Defence Team's progress in reducing GHG emissions, and provide better alignment with the work Canada's allies are undertaking on climate change and the military.

Developing a Risk Management Approach

In its commitment to document risks to achieving a reduction in RP GHG emissions and reaching a net zero portfolio by 2050, National Defence is currently at the stage of

identifying and defining risks. As part of this effort, National Defence has defined a project plan and approach, hired additional risk assessment expertise, and started an extensive document review to identify risks. National Defence will also organize structured risk assessment workshops with individuals managing RP at the senior executive and working levels, in order to provide in-depth analysis of risk sources and identify existing and new mitigations to help meet the targets.

National Defence has already flagged several risks in previous Departmental Reports on Results (DRRs) including dependency on provincial electrical grid capacities and clean power, the capacity of the clean technology market, as well as the size and condition of National Defence's older RP portfolio.

The results from this risk assessment process will inform National Defence's efforts to integrate climate change into all departmental planning documents and processes. National Defence will include the risk assessment results for consideration in the next Defence Corporate Risk Profile, which, in turn, will serve to inform subsequent Departmental Plans and DRRs.

The results from the risk assessment will also help National Defence support the development of a RP GHG Emissions Reduction Roadmap to 2050. This Roadmap will be presented for consideration to senior National Defence leadership in spring 2024 to help inform the Department's final report to the Committee on Recommendation 6. The Roadmap will identify both opportunities and challenges in meeting National Defence's emissions targets and will be key to moving the risk management process into the implementation phase.

Future updates to the Committee

National Defence will provide a final update to the Public Accounts Committee on Recommendation 6 by 31 March 2024.