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Chair: Mr. George Chalal



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• (1535)

[English]

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

Welcome to meeting number 97 of the House of Commons Standing Committee on Natural Resources.

Pursuant to Standing Order 81(4) and the motion adopted on Monday, April 15, 2024, the committee is commencing consideration of the main estimates of 2024-25 referred to the committee on Thursday, February 29, 2024.

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

Before we begin, I would like to remind all members and other meeting participants in the room of the following important preventive measures.

To prevent disruptive and potentially harmful audio feedback incidents that can cause injuries, all in-person participants are reminded to keep their earpieces away from microphones at all times.

As indicated in the communiqué from the Speaker to all members on Monday, April 29, the following measures have been taken to help prevent audio feed incidents.

All earpieces have been replaced by a model that greatly reduces the probability of audio feedback. The new earpieces are black in colour, whereas the former earpieces were grey. Please use only an approved black earpiece. By default, all unused earpieces will be unplugged at the start of the meeting. When you're not using your earpiece, please place it face down on the middle of the sticker that you will find on the table for this purpose, as indicated.

Please consult the cards on the table for guidelines to prevent audio feedback incidents. The room layout has been adjusted to increase the distance between microphones and to reduce the chance of feedback from an ambient earpiece. These measures are in place so that we can conduct our business without interruption and protect the health and safety of all participants, including the interpreters.

Thank you all for your co-operation.

For those on Zoom, please wait until I recognize you by name before speaking.

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

For the main estimates of 2024-25, I would now like to welcome the witnesses who are with us today for the first hour.

Appearing is the Honourable Jonathan Wilkinson, Minister of Energy and Natural Resources.

We have several senior officials from the Department of Natural Resources. We have Michael Vandergrift, deputy minister; Francis Brisson, assistant deputy minister and chief financial officer; and other senior officials.

We have the minister for an hour.

Before we begin, I'll be using these two cards. This is the 30-second warning, and the red card means the time is up.

Minister Wilkinson, the floor is yours for five minutes.

Hon. Jonathan Wilkinson (Minister of Energy and Natural Resources): Thank you, Mr. Chair.

[Translation]

I would like to acknowledge that we gather on the traditional unceded territory of the Algonquin Anishinabe people.

Honourable colleagues, I am pleased to be here today to discuss the main estimates.

We talk a lot about climate change these days—for obvious reasons. Climate change is altering our world's natural environment in a myriad of harmful ways. We saw this across Canada this year after the worst wildfire season in our history.

[English]

Beyond its increasingly severe impact on our economy and our environment, climate change is also rapidly transforming the global economy and global finance in ways that are creating enormous economic opportunity for those who approach the transition to a low-carbon future in a thoughtful, determined and focused manner.

In order to seize the extraordinary opportunities created by the shift to a net-zero economy, we must, however, accept the scientific reality of climate change and ensure that this informs and shapes Canada's economic strategy.

The strategy this government has developed includes seizing key economic opportunity in accelerating sectors, including critical minerals in the EV supply chain, hydrogen, biofuels, nuclear technology and carbon management. It includes having a thoughtful approach to ensuring the competitiveness of Canada's oil and gas sector in what will eventually be a declining global market for these products. It includes building affordable, reliable and clean electricity networks that will give Canada a major competitive advantage. It involves furthering economic reconciliation with indigenous peoples.

This plan is well under way. In just the last three years, more than \$50 billion has been announced in almost 100 clean growth projects across this country. Such projects include Honda's \$15-billion investment in Ontario; Dow's approximately \$10-billion net-zero petrochemical facility in Alberta; Everwind's and World Energy's planned hydrogen facilities in Atlantic Canada; Rio Tinto's critical mineral production facility in Sorel-Tracy, Quebec; and E-One Moli's \$1-billion battery facility in Maple Ridge, British Columbia.

This focus on building a clean economy for the future was reflected in the recent budget. Budget 2024 delivered significant clean economy investments, including the EV supply chain tax credit, new measures for biofuels to the biofuel sector and \$800 million to stand up the Canada greener homes affordability program.

Budget 2024 also delivered a \$5-billion indigenous loan guarantee program, which will ensure that indigenous communities will derive long-term benefits from key energy and resource projects.

• (1540)

[Translation]

The main estimates also reflect a focus on creating jobs and economic opportunity in every province and territory in Canada.

In the estimates, my department is seeking an increase in authorities from nearly \$5.1 billion to approximately \$5.55 billion.

[English]

Key increases from last year's main estimates include the oil-to-heat pump affordability program, the deep retrofit accelerator, critical minerals development and the implementation of Canada's national adaptation strategy, including wildfire resiliency.

The estimates include investments that are part of the government's plan to create sustainable jobs for Canadians.

Having a comprehensive plan to address climate change and to seize the economic opportunities that will be enabled through the energy transition is critically important environmentally and economically, but I would say that a recognition of the importance of such a plan is not shared by all leaders at the federal level.

Mr. Poilievre in particular is fond of using the slogan "technology, not taxes" as a description of a plan, but this is just a tag line. It is not a strategy. It is not a plan.

He opposes investment tax credits, including for hydrogen, electricity, carbon management and manufacturing. He opposes the strategic innovation fund. He opposes the Canada Infrastructure

Bank. He opposes the Canada growth fund. He opposes the clean fuels regulations and he opposes carbon pricing.

As a former clean tech CEO, I can say very confidently that while technology is clearly important, technology on its own will not drive billions of dollars in new investments, nor will it bring new opportunities to countless communities. Technologies on their own will not allow us to successfully address the challenge of climate change. To do this, we must put into place the conditions that will enable technology development, enable demonstration and ultimately enable commercial deployment. Unfortunately, Mr. Poilievre's plan is to simply let the planet burn, to eliminate jobs and to impair Canadian competitiveness as the rest of the world moves to a low-carbon future. That, ladies and gentlemen, is not responsible leadership.

With that, I look forward to hearing your questions.

The Chair: Thank you, Minister Wilkinson, for your opening remarks.

We will now proceed to our first round of questioning for six minutes.

I will begin with Ms. Stubbs. Ms. Stubbs, the floor is yours.

Mrs. Shannon Stubbs (Lakeland, CPC): Thank you, Chair.

Thanks, Minister, for being here today, and thanks to all of your officials who are present and who will be taking questions after your appearance.

While the radical extremist environment minister quoted an anti-energy activist group called Environmental Defence in the House of Commons about emissions reductions in Canada, I'm going to focus on your government's federal national inventory report on emissions and ask you some questions about whether or not the carbon tax is worth the cost, since it has not reduced Canada's emissions to date.

The fact is that Canada has missed every single one of your government's emissions reductions targets, despite your increase of the carbon tax every year since you've implemented it. Canadians know that emissions have increased in each one of those years, except for during 2020, when governments locked Canadians down and the economy was severely damaged by those restrictions.

In 2021, you said that 2019 would be the last year of emissions increases in Canada, but just last week, your federal government's national inventory reported that Canada's emissions in 2022 were up from 698 million tonnes in 2021 and 686 million tonnes in 2020. During 2022, they were at 708 million tonnes. Will you just simply admit that your carbon tax is not worth the cost and that it's failed to reduce Canada's emissions?

Hon. Jonathan Wilkinson: I would say a few things to that.

I know that folks on the Conservative side of the House often talk about missing targets, but the only target this government has ever had was the 30% below 2005 levels, which we inherited from Prime Minister Harper. That's a 2030 target. We have made it more ambitious, so it's 40% to 45%, and there's a middle milestone that we implemented in the act that went through Parliament, a 2026 number, and we are fully on track to meet that. We are on track to meet the targets that we have established.

In terms of the national inventory report, what it shows is that Canada has reduced emissions by 8% versus the 2005 level. We are on track to achieve the targets for 2030, so we are making good progress on the way there.

It also shows that 24 of those 79 or 78 of the megatonnes in 2030 come from the carbon price. Almost one-third of the reductions come from the carbon price.

• (1545)

Mrs. Shannon Stubbs: Minister, you can forgive Canadians for not being compelled by your comparison to a number in 2005. You've been in government for nine years, so let's just talk about what your claims have been, what your policies are and what the outcomes have been.

What your policy has been is to spike the carbon tax by 25% on April 1, despite eight premiers asking you not to and despite more Canadians being unable to feed themselves, house themselves, and heat and cool themselves when needed.

Your response has been your Liberal senators holding up the Conservatives' Bill C-234, which would provide carbon tax exemptions on farmers and farm fuels at exactly a time when Canadian farmers are struggling to produce food and Canadians can't afford to eat.

Ms. Julie Dabrusin (Toronto—Danforth, Lib.): I have a point of order, Mr. Chair.

The Chair: Mrs. Stubbs, can you pause that thought right there? We have a point of order from Ms. Dabrusin.

Ms. Dabrusin, go ahead on your point of order.

Ms. Julie Dabrusin: I appreciate everything the member opposite, Mrs. Stubbs, is raising, except that we're speaking with the Minister of Energy and Natural Resources about natural resources, and she's definitely focusing more on what the Minister of Environment might be there for.

Mr. Charlie Angus (Timmins—James Bay, NDP): I have a point of order.

Ms. Julie Dabrusin: I'm just wondering if she will be switching to talk about energy and natural resources and the main estimates.

The Chair: We have another point of order, Ms. Dabrusin, on your point of order.

Go ahead, Mr. Patzer.

Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC): All that this committee has talked about for the last number of years is anything that has to do with the environment, not anything to do with developing natural resources.

Given the hyperpartisan speech that was given by the minister to kick things off here, my colleague is definitely well within her rights to say what she is saying as a member.

The Chair: I have several points of order.

I have Mr. Angus on a point of order, so I'll go to you next.

I have asked colleagues not to use the point of order for debate. You can use your intervention for debate.

I will go to you, Mr. Angus, on a point of order.

Mr. Charlie Angus: It's on the same point of order. I think that opposition members need to be able to ask questions of the minister. They shouldn't have government members running interference and trying to break up the flow of the questions. If the questions are fair, if they're not abusive, it's the right of the MP to ask what questions they want of the minister.

The Chair: Thank you. I think I've exhausted the points of order.

Colleagues, as to the original point of order, please ask the minister your questions and try to keep it relevant to the conversation today on the main estimates and the questions that the minister can answer that are related to his portfolio.

Thank you for your point of order, Ms. Dabrusin, and other colleagues who have provided points of order as well.

I'm going to go back to you, Mrs. Stubbs. We did stop your time. We will begin from where we paused. The floor is yours.

Mrs. Shannon Stubbs: Thank you, Mr. Chair. Thank you, colleagues.

Certainly when the government uses revenue from Canadians from the carbon tax in the budget and Canadians can't actually see the direct line between the cash grab that the government takes through the carbon tax and the innovation or technology or new sources of energy.... In fact, the outcome of this government is anti-resource development, anti-energy, and holding Canada back from being able to provide the products and the technologies needed for our own self-sufficiency and for allies around the world.

Questions about the carbon tax and its revenue and whether or not it's worth the cost are certainly relevant, so thanks, Mr. Chair, and thank you for the interventions from the other opposition.

Minister, the reality is that the carbon tax is at \$80 per tonne right now. Your plan is to hike it to \$170 per tonne by 2030, in less than six years. It's really important for Canadians to know that this is your plan, given the affordability crisis that Canadians face right now due to your inflationary spending that has also hiked interest rates, along with all of the taxes and added costs that you are putting on resource developers, on farmers and on all kinds of industrial development. These dampen the economy and also increase the price of everything for every Canadian, just as the carbon tax was designed to do.

Your plan is to double the carbon tax in less than six years. Will that stop the forest fires and wildfires that you mentioned at the beginning of your remarks? How high does it have to go?

• (1550)

Hon. Jonathan Wilkinson: Let me start with the comment you made at the beginning, which was about using 2005. The base year that the Paris Agreement uses is 2005, so every country around the world uses it, but we have seen significant reductions since 2015 as well.

In terms of the carbon price—and we've had this discussion in the House of Commons many times—eight out of 10 families actually get more money back. It works directly inverse to income, so people who live on the most modest incomes get the most money back. This is something that more than 300 economists have weighed in on, including Trevor Toombs from the University of Calgary and Brett Dolter from the University of Regina.

It is an affordability mechanism, but it is also effective in addressing the climate crisis. In 2030, we'll be at about half of the emissions reductions, so will it address the impacts of climate change? Yes, over time, it will, just as deploying electric vehicles, deploying carbon capture and sequestration and improving energy efficiency will all have an impact on reducing the impacts of climate change.

The Chair: Thank you, Ms. Stubbs. Time is up. Thank you, Minister Wilkinson.

We'll now go to Mr. Aldag for the next six minutes.

Mr. John Aldag (Cloverdale—Langley City, Lib.): Minister, thank you for being here and thank you for having your officials here. I see lots of familiar faces, and it's always good to see your group here to speak with us.

Minister, as a British Columbia member of Parliament yourself, you know that you and I and our province are very concerned about forest fires. My first question is going to be along those lines.

We know that last year, communities across British Columbia were evacuated as we witnessed devastating wildfires, not just in the interior and the north, but even into the Lower Mainland, places where we've not historically seen them, such as on Vancouver Island. It was the worst and most costly wildfire season on record. Canada did a lot to ensure British Columbians were safe then, as did Canada's brave first responders and firefighters.

However, we're looking at another horrible fire season to come. Every indication is that we're on track to have a lot more of our forests burn in the coming summer. Could you take a moment to

talk to us about the work that you've done to prepare for this upcoming wildfire season and the work that you've done to support firefighters, those brave men and women who risk their lives to save the resources and habitats that are so important for biodiversity in our province?

Hon. Jonathan Wilkinson: Thank you, Mr. Aldag.

Yes, forest fires were a terrible issue last year. Unfortunately, these are the kinds of things that we are going to see with increased frequency because of the impacts of climate change. Certainly the prospects look very challenging in many parts of the country this summer.

The Government of Canada certainly acted last year. We have made significant investments in equipment for the provinces and territories to purchase additional firefighting equipment. There's over \$250 million that was actually flowing through there. We set aside significant funds to train additional wildland firefighters, a lot of those in indigenous communities, which obviously are often very much at risk. They live in areas that often are prone to forest fires.

We also started a pilot project with the International Association of Fire Fighters, which was really about how you help to get municipal firefighters to help in that interface between community and forest. Many of those exist in British Columbia as well as in other provinces in this country. Certainly in my riding of North Vancouver, we're right up against the forest in the mountains. We provided some money to help them train their firefighters on how to do that. We just augmented that a couple of weeks ago with additional funds.

Certainly we are working very much with the provinces and territories, both directly on these funding arrangements but also through what's called CIFFC, which basically coordinates the resources across provinces so that if Nova Scotia doesn't have a bad firefighting year, they can help deploy people and equipment to Alberta or British Columbia if those places have a bad year.

Certainly there's a lot of work going on there, not just with NR-Can but also with the Minister of Emergency Preparedness, Minister Sajjan.

Mr. John Aldag: Great. Thank you for that response and the update.

I think it will bring some relief to British Columbians to know that we are working with the provincial government, other organizations, first nations and others to prepare for this upcoming fire season.

Staying with the British Columbia theme, I'd also like to talk about a recent announcement and investment in Maple Ridge. This was the E-One Moli investment. It's out in the Fraser Valley, which is a couple of ridings away from mine. It's a very important investment to help bring good jobs to our part of the Lower Mainland.

I'd welcome comments that you could share about your work in supporting and growing the economy of British Columbia through investments such as this. Could you also speak to how the Government of Canada continues to attract these kind of investments, not only to British Columbia, but to Canada?

• (1555)

Hon. Jonathan Wilkinson: Yes. I said in the opening that having a thoughtful and ultimately successful plan for the economy means actually agreeing on and accepting the reality of climate change and building an economic plan that accommodates that and thinks about the opportunities that are going to be created in the context of a move towards a low-carbon future.

Canada has perhaps the most comprehensive climate plan that exists anywhere in the world. We certainly have been working to have beside it the economic plan that looks to seize those opportunities moving forward. One of those that I mentioned was the E-One Moli plant, which is a billion-dollar battery investment in Maple Ridge, B.C. This is going to create significant numbers of jobs and economic opportunity in B.C.

It's also the Air Products hydrogen facility in Alberta. It's the BHP Jansen potash mine in Saskatchewan. It's a whole range of battery and electric vehicle announcements in Ontario and Quebec. It's the hydrogen work that's happening in Nova Scotia and in Newfoundland and Labrador, and there's the enormous growth in renewable energy, particularly wind, in Nova Scotia and New Brunswick. We are seeing a whole range of activities moving forward and catalyzing economic growth, and that is happening in every province and territory in this country.

Mr. John Aldag: Thank you.

It looks like I have about a minute left, so I'll try to get to the point.

We've heard, both in this committee and in the House, the Conservative rhymes and slogans that are really a demonstration of their rejection of climate science and their opposition to renewable energy. We experienced that first-hand here at this committee. We saw the attempts to block offshore wind in Canada and block workers from getting a seat at the table, yet the global energy transition is well under way. It is going to move ahead whether Canada is on board or not.

If you could, take the last bit of time we have to elaborate on the indicators that show that this is happening, and what Canada should do about it.

Hon. Jonathan Wilkinson: It is happening all over the world. The International Energy Agency tracks this very well and talks about the fact that it is actually not a question of if it's happening, but how quickly it's happening.

In 2020, one in 25 vehicles sold globally was a zero-emission vehicle. Last year, it was one in five. That's enormous progress.

We are seeing the share of fossil fuels in electricity generation fall dramatically, and it will continue to fall dramatically by 2030. Almost half of the world's electricity supply will come from renewables. It will be 80% by 2030, and 80% of all new electricity capacity between now and 2030 will be from renewables. In the U.S., 50% of new car registrations will be electric. Heat pumps are actually overtaking fossil fuel boilers.

We are seeing all kinds of progress happening. The best examples we're seeing, to be honest with you, are in Europe, Japan, South Korea and the United States.

However, China has been very strategic, and we need to be thoughtful about how we respond to this. China is now the number one or two manufacturer of electric vehicles, the number one developer of renewable energy technologies and the number one deployer. It controls much of the critical minerals and critical mineral processing capacity around the world. That is very strategic, because it has made an enormous bet on the energy transition.

This is happening everywhere around the world, and Canada needs to be part of that conversation.

The Chair: Thank you, Minister Wilkinson. The time's up.

I'll now go to Monsieur Simard for six minutes.

[*Translation*]

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

Thank you very much for being with us, Mr. Minister.

Earlier, in your opening remarks, you mentioned that we need to accept the scientific reality of climate change. I agree with you on that.

The scientific reality of climate change shows us that one of the main drivers of these changes is the oil and gas sector. Over the past four years, your government has provided financial support to that sector to the tune of \$65 billion. For 2023 alone, we're talking about \$18 billion. If I look at the budget, I see that by 2035 there will be up to \$83 billion in tax credits and benefits for that sector.

Add to that, of course, the commissioning of Trans Mountain last week, which will deliver 890,000 barrels of crude oil per day for a total of \$34 billion. That project was originally supposed to cost \$7.4 billion, but it has now reached \$34 billion.

I have a fairly simple question for you. If you got to do Trans Mountain over again, do you think you would pass on it?

• (1600)

Hon. Jonathan Wilkinson: We have a plan to fight climate change. Of course, there also has to be an energy transition. It can't be done overnight. Of course, we need to have access to the resources that we use now and will use over the next 20 or 30 years. The Trans Mountain project is important because it helps us ensure that Canada receives a fair price for its resources.

In addition, we obviously have to have a plan to accelerate the transition and another to reduce greenhouse gas, or GHG, emissions, not only in the oil and gas sector, but also in all other sectors of the economy. That's exactly what we've done by putting a cap on emissions through the methane regulations. We've done a lot of other things as well.

Mr. Mario Simard: Yes, I'd like to hear your thoughts on that.

We studied the emissions cap here at committee. However, there was never any mention of a cap on production.

However, in my opinion, reducing the carbon intensity of the oil and gas sector by increasing its production capacity is completely illogical. This oil will not only be under scrutiny, it will be burned one day or another and will therefore generate GHGs. Your government was supposed to come up with a definition of an inefficient subsidy in 2023 and end financial support for fossil fuels. That didn't happen. In addition, there are generous tax credits.

Don't you find you're being complacent with the oil and gas industry?

Hon. Jonathan Wilkinson: As I said, we're the first in the world to end inefficient fossil fuel subsidies. We're the only country in the world that has done that. The other countries want to get there by 2025, not right away.

We obviously need to take action to reduce greenhouse gas emissions from the oil and gas sector. We also need to do it in all sectors of the economy. We need to have a plan that reflects our targets. As I said before, we are now on track to meet the 2030 targets.

Mr. Mario Simard: I want to talk briefly about nuclear energy.

Over the past few months, the regulation of nuclear waste has been somewhat loosened. On May 2, we learned that waste water had been spilled at the Chalk River site. Unfortunately, we're not in a position to determine what contaminants were spilled or how much was spilled, which is still a concern, given that there seems to be a desire to reduce accountability for nuclear waste.

Mr. Wilkinson, as you know, the Ottawa River is the source of drinking water for a significant number of Quebec residents. Does that concern you?

At the very least, would it not be appropriate to determine what contaminants were spilled?

Hon. Jonathan Wilkinson: Actually, a team of experts is looking into that.

Having said that, I want to add that no nuclear radioactive contaminants were spilled, only waste water. The Department of the Environment needs to conduct an investigation and discuss the matter with Chalk River.

Mr. Mario Simard: Waste water was spilled, which means that the safeguards in place to ensure that there are no deficiencies in the system at Chalk River have failed.

How can we trust the measures in place, given that you seem to want to declassify some radioactive waste?

A number of stakeholders have told us that all this is being done with as little consultation as possible.

Don't you think you should review certain things around radioactive waste?

Hon. Jonathan Wilkinson: Waste water is a problem not only at that facility, but in all municipalities across the country. We have to manage that all the time, and it's important to do that, obviously. There has to be an investigation to find out what's going on.

Mr. Mario Simard: What about the declassification of some radioactive waste, which will go from intermediate-level to low-level?

[English]

The Chair: Monsieur Simard, I'm sorry. The time is up. You can hold that question for your next round. Thank you.

We'll now go to Mr. Angus for six minutes.

• (1605)

Mr. Charlie Angus: Thank you, Mr. Chair.

In looking at the latest greenhouse gas emission numbers, we see that once again the oil and gas sector continues to rise, so it could be argued that other sectors are doing their part, but the oil and gas sector continues to rise.

Given the fact that your government spent \$34 billion building a pipeline when there was no economic case and we're looking at an increase in production from 300,000 barrels a day to 900,000 barrels a day, how much emissions are you factoring in from this increase?

The Chair: Mr. Angus, my apologies. I'm going to ask you to hold that thought.

We have the bells ringing, and I do need unanimous consent to continue and to finish this round.

Is it fine to finish this round?

Some hon. members: Agreed.

The Chair: Okay. We'll finish this round and then we'll proceed to the vote.

Mr. Charlie Angus: Can I start over?

Some hon. members: Oh, oh!

Mr. Charlie Angus: I'm just trying for a little bit of fairness here, just a little bit.

The Chair: You were cut off in mid-sentence in your first 15 seconds, so go ahead.

Mr. Charlie Angus: We're looking at the latest greenhouse gas emissions, and yet again, oil and gas emissions continue to increase. The government has told us all these promises about decreasing oil and gas emissions, and yet it's not happening.

Now you've spent \$34 billion of public money in building a pipeline for which there was no case in the private sector. That will increase production from 300,000 to 900,000 barrels a day. How much more emissions are you looking at being added to the annual toll coming from the oil and gas sector?

Hon. Jonathan Wilkinson: Let me start just by correcting one thing you said. It's not an increase in production of 300,000 to 800,000; it's an increase in pipeline capacity. There is significant oil that has been moving by rail that now will move in the pipeline. Production has not increased, but certainly all of the—

Mr. Charlie Angus: Can I get you on record on that? You've said that before.

Hon. Jonathan Wilkinson: Can you let me finish my answer?

Mr. Charlie Angus: All right. Go ahead.

Hon. Jonathan Wilkinson: All the increases that are expected in production are factored into the forecast going forward in terms of emissions from the oil and gas sector.

Mr. Angus, I would agree with the beginning of your comment, which is that we do need to see reductions in absolute emissions coming from the oil and gas sector. It is certainly time that we see the Pathways folks and others put their money where their mouths are.

Mr. Charlie Angus: They're putting our money where their mouth is and you're giving it to them.

Mr. Wilkinson, I have enormous respect for you, but I've heard this line from your government for nine years, which is that we can drink our way to sobriety. Just give them a few more drinks and they're going to get better.

For you to say not to worry—that you're going to build this extra pipeline, but it's not going to rapidly increase production—is ridiculous. We've seen Imperial announcing massive increases in the final quarter of last year. They're saying they're going to really ramp up production at Kearl Lake because of TMX.

Are you trying to tell us not to worry because this is just going to take stuff off the trains and it's not going to create a massive increase, or are you telling us that the emissions that are going to come out of this increase somehow are going to be clean?

Hon. Jonathan Wilkinson: What I'm saying to you is that it is important that we actually see emissions go down in the oil and gas sector. That is why we have put into place regulations with respect to methane and why we are enhancing those going forward. It is why we are putting a cap on oil and gas emissions across the country. We're the only country in the world to do that.

That is about ensuring that the oil and gas sector plays a role in reducing emissions across this country.

Mr. Charlie Angus: You're saying we're going to put a cap on while we're vastly increasing export capacity of the sector that causes the highest GHG emissions—

Hon. Jonathan Wilkinson: We are going to ensure that the oil and gas sector makes its contribution to Canada's emissions reduction plan, just like the auto sector, just like cement and just like everyone else.

Mr. Charlie Angus: The issue was that with \$34 billion of public money, there was no private sector case. The International Energy Agency has warned against governments investing in oil infrastructure because of stranded assets. There was no case, and then you built them a pipeline.

What we've been told from the energy regulator and from analysis is that it would be too expensive. The toll fees would be too high to pay off the cost. Those toll fees have been capped at 22%, which means that the public is going to pick up 78% of every barrel going through the pipeline.

Will you guarantee to us that the public is not going to pay a dime and that all of the money that the public paid to the Pathways Alliance is going to be paid back, barrel by barrel?

Hon. Jonathan Wilkinson: First of all, the Government of Canada only bought the pipeline because of the obstruction of the NDP government in British Columbia. Certainly one of the loudest cheerleaders in terms of the Government of Canada taking that on was the NDP premier of Alberta.

At the end of the day, the pipeline cost more than we expected it to cost at the beginning, but we still believe very strongly that there is great value in the pipeline. As the Minister of Finance has said, we expect that we are going to be able to get our money back.

• (1610)

Mr. Charlie Angus: I would love to think that the NDP government in B.C. had such a big influence on you, but you bought that pipeline because there was no private sector case. You were doing a favour for Pathways Alliance. These are companies that have never, ever shown any initiative to lower emissions. There's no record of them doing that, yet we're on the hook for \$34 billion.

To go back to my question, the toll fees have been capped at 22% because this boondoggle can't pay for itself. That means we are on the hook for covering off the cost of every barrel shipped by Imperial or any of the other companies.

How are we going to be guaranteed that we're not subsidizing 78% per barrel for every barrel that's shipped down that pipeline?

Hon. Jonathan Wilkinson: Mr Angus, I have great respect for you as well, but you're just wrong about that.

When Minister Heyman in British Columbia and the then-premier of British Columbia said they would use all tools in the tool box to stop the Trans Mountain pipeline, that created such uncertainty that it made it very difficult for a private sector entity to proceed with it.

Mr. Charlie Angus: You're not answering the question. You're trying to pick a fight about the B.C. NDP. Will we have to pay for it?

Hon. Jonathan Wilkinson: I would say that the value of the Trans Mountain pipeline, both for the companies in Alberta and for the the Canadian public, remains strong.

Mr. Charlie Angus: Will we have to pay?

I don't know anybody in the B.C. NDP, I have to tell you, except in my own caucus. I'm sure they play a huge role in this, but you're avoiding the question.

We paid \$34 billion of public money for a project that had no business case. Now to make it pay back, it has to be paid back through the toll fees.

Are we going to be on the hook for the toll fees for every single barrel that goes through there? The CER, the Canada Energy Regulator, says we're going to be paying 78% per barrel of the cost.

Is that yes or no?

Hon. Jonathan Wilkinson: That's actually not what the CER said.

The Government of Canada doesn't intend to be the long-term owner of the pipeline. We do intend to sell it and we believe that we will recoup the money that the Government of Canada has invested in the pipeline.

Mr. Charlie Angus: Are we going to sell it for \$34 billion, or are you going to give it away?

The Chair: Mr. Angus and Minister Wilkinson, thank you for your round of questioning.

Colleagues, I propose—as bells are ringing, so we have about 23 minutes—one round, a shortened round. We can go with four, four, two and two minutes, or with five, five and two of 2.5 minutes. I just want to give colleagues enough time.

A round with five minutes, five minutes, and two members of 2.5 minutes gives us 15 minutes, which gives you seven minutes to vote. Are we good with that, or should we go with a shorter round of four, four, two and two?

Do we have unanimous consent for four, four, two and two minutes? I know that our colleague Mr. Morrice, at the end of that four, four, two and two, would like to ask a question as well. Do we have unanimous consent to allow him to ask a question at the end of all questions?

Some hon. members: Agreed.

The Chair: I see consent, so we'll go with four, four, two and two minutes, and one question for Mr. Morrice to finish. Let's go.

Our next round is a four-minute round, and we go to Ms. Stubbs for four minutes. Go ahead. The floor is yours, Ms. Stubbs.

Mrs. Shannon Stubbs: Thank you, Chair.

Thanks, Minister. Again, I just wonder, Minister, if you can tell Canadians how much carbon Canada sequesters annually.

Hon. Jonathan Wilkinson: I'm sorry. How much...?

Mrs. Shannon Stubbs: How much carbon does Canada sequester annually?

Hon. Jonathan Wilkinson: How much carbon does Canada sequester annually? I don't know.

Mrs. Shannon Stubbs: It seems that if a government's trying to achieve net-zero emissions performance, then what should be known is how much carbon Canada sequesters on an annual basis, let's say through—

Hon. Jonathan Wilkinson: Are you talking about forest sequestration?

Mrs. Shannon Stubbs: —forest management and tree-planting or through grasslands.

Hon. Jonathan Wilkinson: You're talking about forest sequestration.

Mrs. Shannon Stubbs: Well, there are a variety of ways that carbon can be sequestered.

Hon. Jonathan Wilkinson: Yes, so it's wetlands, grasslands, trees.... Certainly the two billion trees program has a number with respect to that particular program, but in terms of the overall sequestration, I don't know.

Glenn may have a number, but we can certainly get back to you on that. Environment Canada has that number.

Mrs. Shannon Stubbs: It seems like the Natural Resources minister, who's talking about tree planting and is also a big proponent of these policies, would know that number, because it seems very material to whether or not the government really has a definition of what it's trying to achieve when it's moving towards net-zero emissions.

To your point, you're right that tree planting is an extremely effective way to enhance biodiversity, to sequester carbon and to facilitate better wildlife management and sustainability.

I notice in the estimates that you increased the budget for the “two billion tree-planting by 2031” promise, from \$282.5 million in 2023-24 to \$338 million in 2024-25. As of June 30, 2023, the two billion trees program has agreements signed to plant only 374 million trees by 2031, which is less than 19% of the stated goal, and as of September 25th, 2023, your department, NRCan, reported that only 56 million trees have been planted, which is less than 3% of the stated goal. Can you tell Canadians how you actually expect to reach that goal in the next seven years if you're only 3% towards the goal three years in and have signed agreements for only a mere 19% of trees?

● (1615)

Hon. Jonathan Wilkinson: Thank you. That's a good question.

Let me start by saying that in terms of sequestration under the Paris Agreement, what countries actually track are anthropogenic emissions, both positive and negative. That's reducing human-caused emissions or human interventions to reduce emissions through sequestration or direct air capture or anything else.

In terms of the two billion tree program, we now have agreements that are either signed or are very close to being signed for about 550 million trees, which is a significant movement after the numbers that you quoted. We actually feel very good about that. For the first couple of years of that program, obviously we were going to be slower because we had to actually grow the seedlings, but we're making good progress and we feel that we're on track.

Mrs. Shannon Stubbs: Thanks, Chair. The chair tells me I have about a minute left.

I know that there are real challenges with the survivability of seedlings, which are not being bred and distributed properly according to the hardiness zones across the many diverse regions in Canada. Can you tell Canadians why it appears that your government is padding the numbers on your tree-planting promise, given that the commissioner of environment and sustainable development says that NRCan is using trees planted under a different program and a different department to boost its numbers?

Hon. Jonathan Wilkinson: There are two things. The first is that there is always some attrition with respect to seedlings, but we have factored that into our calculations.

The commissioner said, and we agree, that we need a more robust monitoring program to ensure that we're tracking the trees and how they do once they're in the ground. That's something that we have been working on, and you will probably hear more in the coming months.

In terms of the commissioner, we were clear from the very beginning that the two billion tree commitment included funding from a number of different programs, including the low-carbon economy fund. The bulk of the funding comes from the two billion trees fund, but some comes from others. It's a relatively modest number of trees, but some do come from the low-carbon economy fund.

The Chair: Thank you, Minister Wilkinson.

We'll go to our next round of four minutes.

Ms. Jones, the floor is yours.

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

Thank you, Minister, for appearing today.

There's been tremendous support toward our critical mineral strategy in Canada. I hear it all the time from the mining industry in particular.

Can you explain to us what the role of the critical minerals infrastructure fund is and how we are using it to support community development and economic development at the same time in many regions across Canada?

Hon. Jonathan Wilkinson: Critical minerals, obviously, are the building blocks for the decarbonization of the transportation sector. You need them to build batteries, and you need those to build elec-

tric vehicle plants, but they're also critical for photovoltaics, wind turbines and a range of other things.

It is important that we accelerate the work to develop new mines. It is also important that we invest in the development of processing technologies so that the world is not so dependent on China.

Part of the critical minerals strategy was \$1.5 billion in the critical minerals infrastructure fund, which is intended to support things like transmission lines and roads into regions where you could foresee the development of multiple different mines, ensuring that you're enabling the rapid development of these facilities.

As folks know, most of these mines exist in rural and remote areas. They create jobs and economic opportunity for people who live in some of these communities, as well as many of the first nations who live in these areas. It is a really important economic opportunity that will dramatically impact rural and remote areas.

Ms. Yvonne Jones: In my riding of Labrador, I know how important critical minerals are and how important the mining industry is to the local economy and to jobs for people. Of course, I'm just back from the Arctic, where the situation is very similar.

There are also regions of the country where we have large indigenous populations, and they have wanted to be a partner in what's happening on their lands and in their regions.

Can you tell us about the new indigenous loan guarantee program and how that will support indigenous communities when it comes to resource development and other forms of development?

• (1620)

Hon. Jonathan Wilkinson: This was an announcement that I was particularly happy to make.

This is an indigenous loan guarantee program that will enable indigenous communities to be economic participants in many of the projects that take place on their traditional territories.

This is important as a matter of social justice, but it is also important in the context of aligning interests so that there is a strong economic interest for communities and they see long-term benefits flowing back that will enable them to be thoughtful about making choices for themselves.

This is an enormously important thing. I would say that a number of indigenous leaders were involved, but most importantly, leading that was the First Nations Major Projects Coalition. It is an enormously important piece of work for the country in terms of economic reconciliation and enhancing and accelerating the energy transition.

Ms. Yvonne Jones: In terms of the indigenous loan guarantee program, obviously there's a lot of enthusiasm out there from indigenous governments in terms of how they can access the program.

Are there any specific criteria or demands they will have to meet in trying to get over this threshold? I think that's where the big concern is for some of them.

Hon. Jonathan Wilkinson: A lot of the details on this still need to be fully sorted out, and there is an opportunity for folks to weigh in with thoughts that they have.

What we did say is that it will be sector agnostic. It will apply to all sectors in the resource space. We will be looking to ensure that there is a portfolio of different project types and regional representation so that, for example, for people who live in northeastern British Columbia or in your riding—where the opportunity is really only mining—there is going to be some representation of mining, forestry and a range of other resource projects.

The Chair: Thank you, Minister Wilkinson.

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

[*Translation*]

Mr. Mario Simard: Thank you.

With regard to the two billion trees, I'll be honest with you, Mr. Minister: The people we've talked to have been quite cynical about it over the past few years. It demonstrates the federal government's blatant lack of support for the forest industry, since those trees can't be used for commercial purposes because of our dispute with the United States. Many people back home have simply stopped listening to the government when it talks about this.

However, that's not what I want to come back to.

In your statement, you alluded to the worst wildfire season ever. The measures you put in place left out something very important: small logging companies. They play a crucial role in the forestry sector in Quebec. Last year, they weren't able to enter the forest in a timely manner, which meant they had to deal with very high preparation costs. These small businesses have no support. We've had many meetings with them, and what they need is a liquidity program to get them through that period when they have to get out of the forest due to a fire but still need to pay for their equipment, which is very expensive.

Was that part of your thinking for fighting forest fires?

Hon. Jonathan Wilkinson: Yes, of course. We've committed over \$800 million to fight forest fires and over \$350 million to re-new financial assistance for the forestry sector.

We're currently working with the Government of Quebec to address the impact of forest fires caused by climate change. As you know, we're working and negotiating with them to see how we can come together to combat the effects of climate change.

[*English*]

The Chair: Thank you, Mr. Simard. Time is up.

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

Mr. Charlie Angus: Thank you so much, Chair.

We did a lot of work together on the issue of renewable energy. I think we really believed in it. We have an environmental crisis and we have an economic crisis. If we don't meet it, we lose out. Texas, in a single month, produced 50% more solar than Canada has ever produced. I mean, you don't get much more right-wing reactionary than Texas, and yet they're moving ahead as pretty much the world leader right now—yet in budget 2023, there was \$50-billion in investment tax credits announced. Then there were going to be consultations. In 2024 we have consultations. They're being announced. I'm hearing that people are shipping their investments to the United States because it's there and it's happening, but we're still talking about it.

I guess my frustration with TMX is that the money didn't wait for TMX—it flowed—yet we're still talking about the \$50 billion that's been promised to get clean energy projects off the ground.

Why the delay?

• (1625)

Hon. Jonathan Wilkinson: Certainly I am very keen to see those finalized and out the door such that they will catalyze even more investment, although I will say that many organizations are not waiting for the final form. Most of the details are actually a matter of public record. If you look at, for example, the Dow Chemical net-zero petrochemical facility, that was enabled by the ITCs.

I share your view that we need to actually get this done quickly. I think the budget spoke to the dates by which you can expect to see those.

Mr. Charlie Angus: Thank you.

The Chair: You have 20 seconds.

Mr. Charlie Angus: I'm fine. I'll give my 20 seconds to Mr. Morrice.

The Chair: All right.

Mr. Morrice, to wrap it up for today, you have one question.

Mr. Mike Morrice (Kitchener Centre, GP): Wonderful. Thanks, Chair. Thanks, Mr. Angus and colleagues.

Minister, as you know, I'm quite concerned about the lack of funds for the greener homes grant program. This is a fund that had \$2.6 billion over seven years, which is nothing like what we gave to TMX. We gave that \$34 billion, and carbon capture got \$5.7 billion, but it was so successful, with homeowners getting \$5,000 each to incentivize retrofits, that it was spent more quickly than I think your department was expecting.

As of February 9, Ontarians no longer have access to this program at all. The budget came out after we wrote you letters about this, and you heard from Canadians about it, and then it actually was reduced. It went down to \$160 million a year over the course of five years.

I know that there are other programs and that these are important complementary initiatives, but I just do not understand the thinking behind reducing the greener homes grant program. Can you explain the thinking about this?

Hon. Jonathan Wilkinson: Thanks for the question.

The program, as you say, was very successful. It actually expended its funds more quickly than we had anticipated, and in that regard it incited people to actually make energy efficiency retrofits, which were obviously very positive in terms of the fight against climate change, but the program, by and large, was being used by people who were in the upper middle and upper income brackets. It actually was only \$5,000, which meant that people who actually needed the money were probably the ones who most probably couldn't afford the remainder of the money that would be required. It required them to put the money up, and then they were paid back over time.

Again, that made it difficult for people who live on more modest means to access it. We decided to focus on a new program that would really be focused on people who live on more modest incomes. It would have larger grants that would be paid up front and that would probably be delivered through provincial agencies. We would use the other program, which is the zero-interest loan program, to provide a financial benefit for people who could actually afford to pay the loan back over time out of the energy savings.

The Chair: Thank you, Minister Wilkinson. Thank you for your testimony today. That concludes this portion of the meeting.

Colleagues, we do have a vote, so we will now suspend. We'll come back for our second hour with officials. Thank you to the officials for joining as well today. We are now suspended.

• (1625) _____ (Pause) _____

• (1655)

The Chair: I call this meeting back to order.

Pursuant to Standing Order 81(4) and the motion adopted on Monday, April 15, 2024, the committee is resuming consideration of the main estimates for 2024-25, which were referred to the committee on Thursday, February 29, 2024.

With us today for the second hour are the same senior officials from the Department of Natural Resources.

We have Michael Vandergrift, deputy minister; Isabella Chan, senior assistant deputy minister; Francis Brisson, assistant deputy minister and chief financial officer; Frank Des Rosiers, assistant deputy minister of strategic policy and innovation; Glenn Hargrove, assistant deputy minister of the Canadian Forest Service; Rinaldo Jeanty, assistant deputy minister; Kimberly Lavoie, assistant deputy minister of Nòkwewashk; Drew Leyburne, assistant deputy minister; Erin O'Brien, assistant deputy minister of the fuels sector; and Debbie Scharf, assistant deputy minister.

I will ask that you present yourselves prior to answering any questions.

I will now open the floor for the first round. It will be a six-minute round. We'll have only one round, and then we'll be at the end of the meeting.

We'll start with six minutes for Mr. Patzer.

Mr. Jeremy Patzer: Thank you very much, Chair.

Thank you to everybody for being here.

Right off the bat, during COVID, there were two years—when we found this out in the Auditor General's report—when the department did next to nothing on the “just transition”. I'm wondering whose decision it was to put a hold on that whole important issue of the just transition.

Whose decision was that?

• (1700)

Mr. Michael Vandergrift (Deputy Minister, Department of Natural Resources): Mr. Chair, thank you, first of all, for the invitation to be here today.

To answer the question, the department has taken steps with the sustainable jobs initiative, both in terms of the legislation—which I know this committee has spent time considering—and in terms of working with colleagues in Employment and Social Development Canada on training programs that are being rolled out to assist communities in the energy transition.

Mr. Jeremy Patzer: I assume you're referencing the retrofit program in the budget, but what I'm talking about was during COVID. Also, in the rest of the budget, there is actually no mention of the just transition.

I'm talking about very specific, narrowly focused programming for communities that are losing their sole economic driver. These are towns like Coronach and Rockglen. There are communities all across Alberta where the same thing is going to happen. There's no mention of them whatsoever. That's basically four years lost in a row.

Whose decision was it, especially during COVID, to do nothing on the file?

Mr. Michael Vandergrift: Mr. Chair, to answer the question, the department takes very seriously the concerns of communities as people work through this transition. There were programs implemented in recent years related to the coal transition, and we can provide further information on them to the committee.

As I mentioned, there was funding—I believe it was a year and a half ago or so—for the sustainable jobs and sustainable jobs training fund, which we are now working with Employment and Social Development Canada to roll out. It will provide training opportunities to help people transition and take advantage of the opportunities that exist with the economic transition.

Mr. Jeremy Patzer: I have one more quick question, and then I'll transfer my time to Mr. Falk.

Minister Guilbeault, the environment minister, said the government does not measure the annual amount of emissions that are directly reduced by carbon pricing. The Minister of Natural Resources just said here there was.... I don't have the exact number he said, but it was somewhere around a third of carbon reductions that will be directly attributed to the carbon tax.

Who's telling the truth?

Mr. Michael Vandergrift: Mr. Chair, I don't know if Debbie has anything on that.

I don't have anything more, so I'll have to come back to you on that, sir.

Mr. Jeremy Patzer: Thank you.

Mr. Ted Falk (Provencher, CPC): Thank you to the officials for being here at the committee.

I want to start off with the deputy minister.

Could you tell the committee what percentage of new vehicle sales are zero-emission vehicles?

Mr. Michael Vandergrift: Mr. Chair, maybe I could ask Erin O'Brien, who's our ADM responsible, if she has that figure.

Ms. Erin O'Brien (Assistant Deputy Minister, Fuels Sector, Department of Natural Resources): I don't have it with me.

Mr. Michael Vandergrift: We don't have the latest figure. I know that it varies by province.

Mr. Ted Falk: I'm on your Stats Canada website here, and it says that, in 2021, 2.3% were battery electric vehicle sales and in 2022 it rose to 3%.

Electric Autonomy Canada, in a report produced by S&P Global, cited that zero-emission new car sales were at 11.7%. That includes battery only and hybrid models. That's a combined 11.7% of new car sales in 2023. The minister told us here before that “one in five” vehicles sold in 2023 were zero-emission vehicles. That's 20%.

Those numbers are a huge discrepancy from what Stats Canada is reporting and what the industry is reporting. Do you think the minister is delusional or dishonest?

Mr. Michael Vandergrift: If I may, Mr. Chair, I believe that the one in five figure is a figure from the International Energy Agency. That is a global number.

Mr. Ted Falk: Well, that certainly isn't what the minister said here before. He certainly led this committee to believe that those were the numbers and the statistics from Canada. That's 20% of new vehicle sales. It's not anywhere close to that. Stats Canada would put the target closer to 10%, as will the industry. That number is very different from what the minister reported here.

Shifting gears a bit to the TMX pipeline, originally the project was bought for \$4.5 billion, with an anticipated construction cost of about \$4.5 billion, and that total cost was \$9 billion. That has ballooned now to \$34 billion. Is there still a business case for the pipeline at \$34 billion?

• (1705)

Mr. Michael Vandergrift: Mr. Chair, the Government of Canada does believe that there is a business case for the pipeline in terms of the benefits to the country in the economic benefits that will ensue, the revenues that will ensue for governments. The government is confident that it will be able to divest the pipeline in a way that makes good economic sense for Canadians.

Mr. Ted Falk: Has the minister confirmed to your department that Canada will recover its entire cost of the \$34 billion for the pipeline?

Mr. Michael Vandergrift: Mr. Chair, this is something that the Deputy Prime Minister and the Minister of Finance is leading in terms of the divestiture, and the government has indicated that it will divest the pipeline at a time when it will make the best sense for Canadians.

The Chair: Thank you, Mr. Vandergrift.

That time is up. We'll now go to our next round of questioning.

Ms. Jones, the floor is yours for six minutes.

Ms. Yvonne Jones: Oh. No, I don't....

The Chair: Okay. We'll go to Mr. Schiefke.

Ms. Yvonne Jones: Yes.

Mr. Peter Schiefke (Vaudreuil—Soulanges, Lib.): Thank you very much, Chair.

Let me start off by saying that it's a pleasure to be here. This is my first meeting with this committee. I look forward to working with all members to advance the good work that this committee has embarked on.

Mr. Chair, I'll be splitting my time with Mr. Jowhari.

The question I have for our witnesses today, the department officials, is in relation to the government's plan to plant two billion trees, something that is of great importance if we are to meet our greenhouse gas reduction targets, particularly with an emphasis on what happened over the last year with the wildfires we experienced and that we're projected to have possibly this summer as well. We hope that's not the case.

What many Canadians perhaps don't realize is that the vast majority of the territory in this country is not controlled by the federal government. It's actually controlled by the provinces and the territories and indigenous communities, so there needs to be diligent work done to sign agreements with our partners to make sure we can reach that target.

What agreements have been signed with the provinces and territories with regard to tree planting, and also on our aim to meet our 2030 targets? Perhaps that's something for ECCC, but I'd love to know more for the Canadians who are watching and fill them in on where we are and how those agreements are going to help us meet our goal.

Mr. Michael Vandergrift: Perhaps I can start and then invite Glenn Hargrove, who runs the Canadian Forest Service, to add.

You are very right to point out the importance of the partnerships in delivering the two billion trees program. That's one of the benefits of the program and one of the challenges of the program: We need to work with partners in order to deliver the objectives.

We have nine agreements in principle in place now with provinces and territories. We are continuing to negotiate with the remaining provinces and territories and we expect that we will have those agreements in place shortly. As the minister indicated, we now have agreements in place under negotiation to plant 553 million trees. That is important progress, but there's more work to do, and it's an ongoing challenge that we continue to work on with partners.

Perhaps I can invite Glenn to add and also to speak about some of the other streams, because there are private streams, indigenous streams and other partners we work with as well.

Mr. Glenn Hargrove (Assistant Deputy Minister, Canadian Forest Service, Department of Natural Resources): Thank you, Deputy.

Yes, we're also moving forward on the urban stream of the program. Those funds are essentially fully committed. We've also worked with the national indigenous organizations on co-developing a distinctions-based model for delivering the indigenous stream. We also have a multitude of agreements under the private land stream.

The funding for federal partners is fully disbursed as well, so there is a lot of progress on those as well. We have over 200 agreements now signed under the program.

Mr. Peter Schiefke: There are over 200 agreements signed, including nine agreements with provinces and territories, and 553 million trees will be planted through those agreements.

I wanted to say thank you for your hard work on this. My community of Vaudreuil—Soulanges benefited from 10,000 of those trees. I appreciate the effort made to benefit smaller communities and to allow them to be a part of this very important work.

With that, I'll turn the floor over to Mr. Jowhari.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, MP Schiefke. It's good to be at this committee as well. Thank you, Mr. Chair.

Welcome, Deputy Minister.

Deputy Minister, we'll be embarking on a study in this committee very shortly that will be looking at the state of electricity need in Canada, from generation to transmission to distribution and consumption, and many other factors.

One of the sources of green electricity that we'll be looking at is nuclear energy. Canada's been in the forefront of that industry for a very long time through the CANDUs.

I had the opportunity to visit Darlington last year in the summer, and they were giving us an update on the three SMR modules, the reactors, that they're about to implement.

Can you give us an update on where we are on the SMR side, as well as the great work that I believe Canadian talent is doing across the world through the CANDU?

• (1710)

Mr. Michael Vandergrift: Thank you for that important question. We do believe that small modular reactors are an important part of meeting Canada's future energy needs.

In fact, we are leading the world in many respects as the project at Darlington moves forward on an SMR. Funding has been provided to help that project through the Canada Infrastructure Bank. The investment tax credits will also assist nuclear projects.

It goes beyond the Darlington project. There are important conversations taking place with other provinces about their interest in advancing SMRs. There's Saskatchewan, where the Government of Canada has provided funding for pre-development work, and New Brunswick, where we've also provided some pre-development funding on an SMR project. Alberta is also very interested in advancing SMRs now, and we're seeing partnerships between those provinces on how to advance SMRs in the country as well.

We do see potential for SMRs to start to roll out across the country and become an important part of the energy mix.

Mr. Majid Jowhari: Thank you.

I also had an opportunity to talk to the Minister for Trade and Industry from Singapore, and one specific question he asked was where we were with the SMR in Darlington.

It's not only Canada and the provinces that are looking; there are also a lot of countries internationally that are eagerly and closely watching what we are doing.

Thank you, Mr. Chair.

The Chair: Thank you.

We'll now go to Monsieur Simard for six minutes.

[Translation]

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

The federal greener homes initiative has failed many times in Quebec. Program administration was outsourced to a Vancouver firm, Intellifi.

Was there a call for tenders for this project?

Mr. Michael Vandergrift: I thank the member for his question.

I'd like to ask Mr. Leyburne to answer this question.

Mr. Mario Simard: Just to follow up a little, and so as not to—

Mr. Michael Vandergrift: I apologize. There was a call for tenders.

Mr. Mario Simard: So there was a call for tenders.

I had a close look at this, and from spring 2021 to the end of 2023, 48,000 files were sent from Quebec. Only 23% of those who submitted one of those 48,000 files received a response. There were many complaints because people, francophones, received responses in English only, which is totally unacceptable. In addition, the wait times were very long for people from Quebec.

Have you taken action to address this situation?

Mr. Michael Vandergrift: Thank you, Mr. Chair.

We've worked closely with our partners in Quebec to resolve complaints and improve the delivery of this program. I think a lot of improvements were made toward the end of the program.

Mr. Mario Simard: I just want to clarify: The problem was not the RénoClimat program, which forwarded the requests to you, but rather the fact that people were not getting a response from Intellifi. People weren't getting responses in a timely manner, and no responses were provided in French.

Trees can't be planted willy-nilly anywhere. Some kind of expertise is needed to plant two billion trees.

Did you consult with experts to come up with a strategy? If so, could you share the list of experts consulted with the committee?

Mr. Michael Vandergrift: Mr. Chair, I thank the member for his relevant question.

Yes, we can submit a list of the experts.

We consulted experts to develop the program, as well as review responses to requests for proposals. We have specialists responsible for evaluating proposals.

• (1715)

Mr. Mario Simard: Under this program, have you ever considered planting trees for the purpose of harvesting them?

Mr. Michael Vandergrift: I'm sorry, but I didn't quite hear the last sentence.

Mr. Mario Simard: From what I understand, the logging companies wanted no part in the two billion trees program because the trees that were planted could not be harvested.

Have you looked at having the program serve the forest industry?

Mr. Michael Vandergrift: We are currently discussing the program with Quebec, and we'll soon come to an agreement. I think that will resolve that issue as well.

Mr. Mario Simard: Okay.

I see that \$8.5 million is earmarked for new forest fire programs. In my opinion, \$8.5 million is very little.

Have you thought about supporting small logging companies, who are the first to feel the effects of wildfires? I'm asking because they can't get into the forest and they have very high operating costs. In addition, they play a crucial role in the forest industry. These companies have been weakened for a number of years.

Are you considering bringing in a liquidity program for these people, among other things?

Mr. Michael Vandergrift: Mr. Chair, I'd like to ask Glenn Hargrove to answer that question.

Mr. Glenn Hargrove: Thank you for your question.

[English]

First of all, to the first part of your question, the government has invested around \$800 million in recent years in wildfire supports. We've also renewed our forest sector programming with \$368.4 million over three years. That's intended to support the long-term sustainability of the forest sector across Canada with things like pre-commercial research, adopting transformative technologies and products, green construction with wood efforts, forest leadership internationally, and encouraging and supporting indigenous participation in the forest sector.

There's quite a range of supports for the forest sector, in addition to the programming that's supporting wildfire resilience and response.

[Translation]

Mr. Mario Simard: I have a quick question.

Earlier, you told my colleague that the government intended to sell the pipeline. We were also told that the profits generated by the Trans Mountain pipeline would be reinvested in clean energy, and the Parliamentary Budget Officer said there were no profits to consider, in his opinion.

Are there really any plans to invest non-existent profits in clean energy?

Mr. Michael Vandergrift: That's what we're aiming for, but the Department of Finance is really managing that. We could provide you with more information.

Mr. Mario Simard: Thank you.

[English]

The Chair: Thank you.

We'll now go to Mr. Angus for six minutes.

Mr. Charlie Angus: Thank you, Mr. Chair.

There have been massive investments or promised investments in the EV sector from GM, Northvolt, Ford and Volkswagen, as well as from Stellantis, at about \$11 billion, and Honda, at \$15 billion. We're going head to head with our competitors across the border, who are determined that the EV industry is going to stay in the States. That's all dependent on access to critical minerals.

We've heard a lot of talk around this table about how long it takes to get a mine past the regulatory process. It's about 10 years. Right now in Treaty No. 9, an area I represent, which is pretty much the metals basket of North America, there's a \$95-billion lawsuit against the federal government and the province over a failure to consult.

Does the government have a plan for where they're going to get critical minerals so that we can actually get these plants up and operational?

Mr. Michael Vandergrift: It's such an important issue for the country. We are really focused on implementing the critical minerals strategy.

Earlier the minister mentioned the critical minerals infrastructure fund. We are just finished a first round of project applications. We're looking to make decisions on those very shortly. The goal is to find ways to open up new areas for mining through electricity transmission lines, roads or other types of infrastructure that allow for that mining to take place.

We're also seeing a lot more interest in the sector just over the past year in terms of new types of offtake agreements being signed with developing mines in Canada. We're starting to see offtakes with auto companies and offtakes with technology companies, different types of agreements being put in place now that we think will help to continue to stimulate the industry moving forward.

Finally, I would say that in the budget, there was a plan put forward around regulatory efficiency, which includes looking at and coordinating our permitting processes. Consultations with indigenous peoples are also very important. The indigenous loan guarantee program is part of that. Having a Crown consultation coordinator is part of that. There are also important steps we can take on our consultation processes.

• (1720)

Mr. Charlie Angus: I ask because when I was first elected, Ring of Fire was going to be the next big thing. For people I've talked to in the industry, the thinking is, "Let's move on and talk about other things because we're still..." The consultations weren't done right. We have to deal with roads. We have to deal with the really fragile ecosystem that's there. There are serious problems about moving into areas that have not had mining. However, we have areas that have mining.

For example, take the Sudbury nickel basin. Right now, pretty much all of Vale's nickel sulfate in Sudbury is probably just going to end up being hoovered up by the GM operation. There's not going to be a lot of excess unless we kick into production the ore bodies that are there, but that will require serious investment for shaft sinking and tunnelling.

God help me that I'm saying we should give a break to companies, but that's normally what they do, because they could easily go to Malaysia, and there are no standards in Malaysia.

Has the government looked at using the tax credit system, maybe even for a three-year or four-year period, to help companies that could actually get ore bodies into production now so that they don't have to go through the creation of electrification and all the envi-

ronmental assessments? They are in Thompson, Manitoba. They could open up an ore body and run for 40 years without having to go through all the red tape. Sudbury can do it. Timmins can do it.

Have you looked at actually making an agreement with mining companies to say that if they commit to getting these ore bodies that you know are there into production, we will give them tax credits for the construction work on the tunnelling and shaft sinking?

Mr. Michael Vandergrift: That's an important issue that you are raising.

That issue has been raised with us, and it is something that we are certainly looking at. I think you are right that there is tremendous potential in existing mines and existing mining areas. In fact, we're seeing a lot of really interesting projects being developed around the Sudbury basin and in Quebec, where there are existing mines, etc. There's a lot of potential there.

I would say that another piece of the puzzle is around the question of the global pricing of a lot of these products and how we can establish a market that reflects the ESG standards that we all want to see in these products. We're seeing that in the nickel market right now, and it's a big issue. We need to address that part of it with international partners.

Mr. Charlie Angus: Absolutely.

You know, our competitor in this is not the United States. They're trying to get our metals, but our competitors are countries like Malaysia and the Democratic Republic of Congo, places that have no proper standards and that can easily bring mines into production because they don't have to meet any standards at all. In our region, Crawford Nickel is 12 kilometres outside of Timmins, and it's right beside a smelter. If we invest in that, we know it will have first nations support. We know that it'll meet environmental standards.

I guess the question is that if we're talking about the urgency of this, are we looking to kick-start development here so that we can compete, especially if Malaysia floods the market and nickel prices drop?

Mr. Michael Vandergrift: I could just say that yes, we are, and Crawford, in fact, is an example of one of those mines that are developing very interesting offtake agreements right now because of that potential. We do need to work with our allies and like-minded countries around the market on the pricing of these products to reflect the proper ESG requirements and to encourage that diversity of supply that's needed.

• (1725)

The Chair: Thank you. That was one round of questioning.

I want to say thank you to all the officials for joining us today and for providing your testimony to the committee.

Witnesses, you can finish up and leave.

Colleagues, I would just ask you to hold on for a minute before all of us exit. Because today's conversation was on the main estimates, do I have unanimous consent to call the vote on the main estimates in one motion?

Some hon. members: Agreed.

The Chair: I'm just going to go through this quickly.

Shall vote 1 under Atomic Energy of Canada Limited; vote 1 under Canadian Energy Regulator; vote 1 under Canadian Nuclear Safety Commission; votes 1, 5, and 10 under Department of Natural Resources; vote 1 under Northern Pipeline Agency, less the amounts voted in the interim supply, carry?

ATOMIC ENERGY OF CANADA LIMITED

Vote 1—Payments to the corporation for operating and capital expenditures.....\$1,591,309,916

(Vote 1 agreed to on division)

CANADIAN ENERGY REGULATOR

Vote 1—Program expenditures.....\$101,145,961

(Vote 1 agreed to on division)

CANADIAN NUCLEAR SAFETY COMMISSION

Vote 1—Program expenditures.....\$52,421,455

(Vote 1 agreed to on division)

DEPARTMENT OF NATURAL RESOURCES

Vote 1—Operating expenditures.....\$886,000,876

Vote 5—Capital expenditures.....\$38,370,809

Vote 10—Grants listed in any of the Estimates for the fiscal year.....\$2,796,124,984

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

NORTHERN PIPELINE AGENCY

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

(Vote 1 agreed to on division)

The Chair: Shall I report the votes, less the amounts voted in interim supply, to the House?

Some hon. members: Agreed.

The Chair: Thank you, everybody, for attending today and for doing a great job of working together and asking lots of great questions. Enjoy the rest of your Monday.

The meeting is adjourned.

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