



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

44th PARLIAMENT, 1st SESSION

---

# Standing Committee on Natural Resources

EVIDENCE

**NUMBER 057**

Tuesday, March 21, 2023

---

Chair: Mr. John Aldag





## Standing Committee on Natural Resources

Tuesday, March 21, 2023

• (1550)

[English]

**The Chair (Mr. John Aldag (Cloverdale—Langley City, Lib.)):** Good afternoon, everyone. I call this meeting to order.

Welcome to meeting number 57 of the House of Commons Standing Committee on Natural Resources. The committee is meeting today to hear from the Minister of Natural Resources and officials.

Pursuant to Standing Order 108(2), we're meeting to consider the subject matter of the supplementary estimates (C), 2022-23, including vote 1c under Canadian Energy Regulator, vote 1c under Canadian Nuclear Safety Commission and votes 1c, 5c and 10c under Department of Natural Resources.

Today's meeting is taking place in a hybrid format, pursuant to the House order of June 23, 2022. I'd like to remind all participants that taking screenshots or photos is not permitted now that we're in session. Today's proceedings will be televised and made available via the House of Commons website.

I'd like to make a few comments for the benefit of the witnesses and members prior to getting started.

Please wait until I recognize you by name. I think everybody here has been before committee before, so we know the drill. Interpretation is available. For those on Zoom, you have the choice of floor, French or English. Comments should be addressed through the chair. If you want to speak, use the "raise hand" function if you're appearing virtually. You'll have to unmute and mute yourselves as needed. For those in the room, our staff will look after your microphones, so don't worry about that.

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

Before we get started, for clarity, I just want to let everybody know that today we have the estimates. On Friday, our regularly scheduled time has been cancelled because of President Biden's visit. Next Tuesday, the committee has been cancelled because of the budget. Our next meeting will be a week from Friday. The plan on that day is to continue with the report, working through recommendations that we've been working on. That is what we have to look forward to. We'll send out a further notice for upcoming committee business after the two weeks we will have at home.

Appearing today, we have the Honourable Jonathan Wilkinson, Minister of Natural Resources. From the Department of Natural Resources,

appearing in person, we welcome back John Hannaford, deputy minister, and Shirley Carruthers, chief financial officer and assistant deputy minister, corporate management and services sector. We also welcome Jeff Labonté, assistant deputy minister, lands and minerals sector.

Appearing virtually, we have Angie Bruce, assistant deputy minister, Nökwewashk; Frank Des Rosiers, assistant deputy minister, strategic policy and innovation sector; Glenn Hargrove, assistant deputy minister, Canadian forest service; Drew Leyburne, assistant deputy minister, energy efficiency and technology sector; Erin O'Brien, assistant deputy minister, fuels sector; Debbie Scharf, assistant deputy minister; and Ranjana Sharma, chief scientist.

We have a full roster of officials here to help. I think the minister has just under an hour now—with the late start—to be here. We're going to go with five-minute opening statements, followed by questions in rounds.

Now, Mr. Angus, you have a point of order.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Yes, and I don't want to take any time away from hearing the minister speak. I'm very glad he's back, because he feels like an old friend to us some days and some days not less than a friend. We'll find that out, but that's a side issue.

I wanted to put my committee colleagues on notice. I have brought forward a motion on this company, Paper Excellence. Given the reports coming out on them in the media and the lack of scrutiny and understanding of exactly who this company is, I think this is something this committee wants to study. I want to put my colleagues on notice that the motion is ready. I'm ready to debate it at any time, but not today.

• (1555)

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

We have distributed that to the committee, so everybody should have it.

With that, I'll turn it over to the minister, who will have five minutes for an opening statement. Then we'll get into our rounds of questioning. I think we'll be able to continue right on with the panellists when the minister needs to leave. We'll do a quick thank you as he exits, and then we'll continue with the officials.

Minister, welcome. It's over to you for your opening statement.

**Hon. Jonathan Wilkinson (Minister of Natural Resources):**  
Thank you very much, Mr. Chair.

Hello, everyone. Thank you for the invitation to discuss the supplementary estimates (C).

I would like to acknowledge that we are gathered here on the official unceded lands of the Algonquin Anishinabe peoples.

I look forward to highlighting the investments we are seeking to make through the supplementary estimates and to discussing with you our investments to help Canadians seize key growth opportunities on the path to a low-carbon economy.

[Translation]

Canada can choose to be a leader in this global economic shift, or it can choose to sit back, take it slow and hope for the best, which is a much riskier choice.

[English]

We can either move forward with a robust plan for the future, or we can simply hope for the best.

The first path accepts that climate change is, indeed, a reality, one that we can and must address. It involves a thoughtful strategy in which the economy changes and grows stronger and more resilient, and in which the environment is better protected. The second path starts with shrugging off the damage that climate change has already caused: dramatic floods in our towns and cities, wildfires in our forests, dried-up rivers and melting glaciers.

We choose the first path, which will enable us to ensure a sustainable world while seizing economic opportunities offered through the transition to a low-carbon future. The investments sought in today's supplementary estimates contribute to this first path, which is towards a plan for the future.

These include over \$12 million towards greening Canada's buildings through important actions such as building retrofits in neighbourhoods and industrial facilities, and towards accelerating improved energy codes; over \$4 million for climate resiliency, building on our new national adaptation strategy; and a half a million dollars for the British Columbia old growth nature fund.

[Translation]

The supplementary estimates are also important for meeting the commitments made in the United Nations Declaration on the Rights of Indigenous Peoples. For example, an additional \$600,000 is required to continue the implementation of the declaration, including the development of the action plan.

[English]

As I mentioned, Canada is, in my view, well positioned to take advantage of the opportunities presented by the worldwide transformation towards a lower-carbon future. The Government of Canada has, for seven years, been working on strategies, investing and improving regulations to help Canada become the clean energy and technology supplier of choice in a net-zero world.

Successful strategies leverage comparative advantages. Make no mistake. Canada has a lot going for it to help us win on a global scale. We have well-educated and highly trained people; a lot of the

natural resources that are increasingly in demand, including, very much, critical minerals and hydrogen; strong and innovative energy and clean technology expertise; banking; regulatory, political and legal systems that are stable; trade agreements with major economies around the world; and world-leading ESG standards.

[Translation]

Finally, because each province and territory has a unique mix of natural resources, the opportunities for transitioning to clean energy will differ across the country.

[English]

Through the regional energy and resource tables we have established with nine provinces and territories, we are working with the provinces and territories to unlock these opportunities on a regional and sectoral basis. My hope is to have all 13 up and running within the next few months. These opportunities include critical minerals, hydrogen, carbon capture, electric vehicles, renewables, biofuels and small modular reactors.

Overall, this government's approach represents a thoughtful, science-based and exciting plan for the future. It is far from those who ignore the scientific reality of climate change and simply hope for the best. Employing what I would call a "head in the sand" approach would lead us to environmental devastation while inviting economic stagnation that would make our industries uncompetitive and damage our economic potential. That path is unacceptable, and that is why our plan is a clear-eyed strategy to seize low-carbon economic opportunities.

● (1600)

[Translation]

We are talking about an economy that will work for all Canadians, including the thousands of energy workers whose skills and work ethic will contribute to our success.

[English]

Overall, a clear-eyed and thoughtful plan for the future is about a national effort to pass on an environment and an economy that will help our children and their children flourish for decades to come. This effort is represented very much in NRCan programming and in these supplementary (C)s.

[Translation]

I welcome any questions you may have.

Thank you very much for inviting me to be here with you today.

[English]

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

For those who are participating, watch for the yellow card, which is the flag for 30 seconds left. The red card means that your time is up. I'm going to try to keep us close to the allotted time so that we can get through as many rounds as possible with both the minister and the officials.

I would also like to mention that, because of the cycle and how estimates work, we've actually missed the deadline. The last day to report back to the House was, I think, last Friday, so today is for information purposes. We are unable to report back to the House, and we can't decrease any of the estimates. I just want everybody to be aware of that. I have the official wording coming, if anybody wants that. We'll get that by the end of the day.

The first round of questions are going to be six minutes each. First up I have Ms. Stubbs.

When you're ready, the floor is yours.

**Mrs. Shannon Stubbs (Lakeland, CPC):** Thanks, Chair.

Thanks, Minister, for being here, and thanks to your officials for giving their time to us today too.

Minister, I have a question for you about the \$12.8 million allotted in these estimates "to implement the Impact Assessment Act". I think it's helpful for Canadians to know the context, which is, of course, that your government froze project assessments as far back as 2016, delayed and then implemented interim measures and applied some arbitrary standards to certain proposals that weren't applied to others. Then, of course, it took three years until Bill C-69 was imposed, despite the near-universal opposition from nine out of 10 premiers, indigenous communities and entrepreneurs, municipalities and private sector proponents that warned that it would be a barrier to development.

Of course, the first major decision wasn't made under the new assessment until a year and a half ago. It's very obvious, despite the periodic positive words, that the actual outcomes of your regulatory changes to the policy framework are killing billions of dollars of investment projects and jobs, and driving them into other competitive jurisdictions.

The consequences and the costs to Canadians are real. For example, your government has had 18 LNG export terminals proposed in the time that you've been in office, and only three of those have been approved. Of course, zero have been built, while the U.S. has built seven and permitted 20 more in the exact same time frame. Germany permitted and got a terminal up and running and built in 194 days.

You talk passionately about a critical mineral strategy, but your own documents show that critical mineral mines won't be operating or producing in Canada for 25 years. There is the same challenge with your aspirations around electrification.

I just wondered if you could speak specifically about what that \$12.8 million will do. What are your specific outcomes for implementing the act that you have imposed?

**Hon. Jonathan Wilkinson:** In these supplementary estimates (C), there isn't \$12.8 million for IAAC. The Impact Assessment Agency of Canada actually falls under the purview of the Minister of the Environment and Climate Change, but I would make a number of comments.

Certainly, additional funding for IAAC is intended to ensure that projects, when they come into the IAAC process, are able to proceed forward very quickly.

On the comment about 18 LNG projects, most of those actually arose during Stephen Harper's time in office, and all of them were reviewed under CEEA, 2012, which was the process that Stephen Harper changed, which created enormous opposition on the part of many communities and, particularly, indigenous folks.

We actually worked to fix that by bringing into place the Impact Assessment Act to ensure that projects can move forward. You will have seen, just a couple of weeks ago, that we announced the first LNG project that has gone through the new process that was actually approved—

**Mrs. Shannon Stubbs:** I'm sorry, Minister. You've just stated a bunch of things that are not accurate.

**Hon. Jonathan Wilkinson:** —as well as two new critical minerals mines that were actually approved in the last few weeks.

**Mrs. Shannon Stubbs:** You've just said a number of things that aren't true, and the time is limited.

**The Chair:** I'm just going to stop the clock for a second.

As we go through today, it's really important for the sake of our interpreters that we only have one conversation going. I will try to moderate that.

● (1605)

**Mrs. Shannon Stubbs:** Thanks, Chair. I think the time is mine, so I'll just proceed.

**The Chair:** I've stopped the clock. I'm not going into your time.

**Mrs. Shannon Stubbs:** Thank you, Chair.

**The Chair:** I would just say that, when we ask a question, it's fair to give time, but when you're ready to move on, let the witness know and we'll go back.

It makes it a lot easier if we're not talking over each other, so I ask everybody to respect that.

**Mrs. Shannon Stubbs:** Thanks.

Can you tell us where we're at timewise?

**The Chair:** You have two minutes and 48 seconds left on the clock.

**Mrs. Shannon Stubbs:** Thank you.

The \$12-million allotment is about improving the regulatory system. It says that clearly in the estimates.

What exact outcomes are you looking for? What are you looking to achieve in what timeline?

**Hon. Jonathan Wilkinson:** Certainly I think what we're looking to achieve is something that I think everybody around this table would be looking to achieve. It is that the systems and processes you put into place are as efficient as they possibly can be, that good projects can move ahead to approval and that we can identify problems early in the process such that we can actually address them.

**Mrs. Shannon Stubbs:** The problem is that it is exactly your system that has caused billions of dollars' worth of projects to be abandoned. The private sector proponents say very clearly that it is because of regulatory uncertainty and red tape, which are inextricable factors in their business case decisions.

This is in conflict, of course, with the Deputy Prime Minister's comments on accelerating project approvals and her aspirations around "friend-shoring" and providing the crucial resources in energy that Canada can to the world—all while we ought to be pursuing our own energy self-sufficiency and security.

Do you actually have measures and timelines around what you're looking for in terms of this apparent acceleration of project assessments and approvals?

**Hon. Jonathan Wilkinson:** Absolutely. First, I would say that the new system looks to be working far more effectively than CEAA, 2012, did. You just saw the approval of the first LNG project that went through it and two critical minerals mines in the last two months.

Certainly, we're all interested in finding ways to ensure that we are doing things as efficiently as possible. The Deputy Prime Minister and I talk about this all the time. We have initiated a cross-government review to look at accelerating the work we are doing. We have initiated the regional energy and resource tables to look at aligning permitting and regulatory processes with each of the provinces, which each have their own process.

**Mrs. Shannon Stubbs:** After eight years of foreign investment collapsing in resource development in Canada, driving projects and jobs away from our country, failing to capitalize on LNG opportunities for energy security and self-sufficiency for Canadians, and the reality that your critical minerals strategy doesn't match up with what's possible in the timeline that you have set with the aspirations you say you want to pursue, what...?

For everything that you've just talked about and that you say you're looking for related to these dollars, what's the timeline?

**Hon. Jonathan Wilkinson:** With due respect, I think if you went and talked to the Mining Association of Canada, for example, they would tell you that the work that's under way on the critical minerals strategy is exactly what they have been calling for.

I think if you asked many of the folks in the oil and gas space, they would talk to you about regulatory certainty, which is exactly what the Impact Assessment Act is intended to do and the work we are doing to ensure that it is implemented effectively is intended to do.

**Mrs. Shannon Stubbs:** You have no timeline on your expectations for these dollars.

**The Chair:** You're out of time on that one. I need to move to my next questioner.

**Mrs. Shannon Stubbs:** After eight years, uncertainty will continue to—

**The Chair:** Ms. Stubbs, you're done.

Next up, I have Mr. Sorbara, who has six minutes.

I believe you will be sharing your time with Ms. Lapointe. It's over to you. The clock is running.

**Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.):** Thank you, Chair.

Welcome, Minister, to the natural resources committee once again.

Getting right to it, Minister, our government is implementing several programs targeted at reducing emissions from Canada's building and industrial sectors, such as the Canada green buildings strategy, the codes acceleration fund and the deep retrofit accelerator initiative. How will these programs support the reduction of emissions in the building and industrial sectors, while ensuring job and prosperity sustainability for businesses in the city of Vaughan, the area I live in and represent, and across Canada?

**Hon. Jonathan Wilkinson:** Thank you for the question.

Certainly, addressing energy efficiency is critically important. It is actually the low-hanging fruit in terms of ensuring that we are being as effective as possible. It reduces the amount of additional generation capacity that we have to build.

These energy efficiency programs will ensure that we are reducing emissions from our buildings sector, all while helping Canadians save money on their energy bills. For example, the codes acceleration fund will support provinces, territories and stakeholders to adopt and implement the highest performance of the national model energy code, ensuring that we build things more efficiently right from the start. The deep retrofit accelerator, for its part, will aim to break down barriers and make it easier to undertake deep retrofits on existing units to make them more affordable.

These are the kinds of programs that help and support good jobs in communities like Vaughan. In fact, they can help support companies like JELD-WEN, a window and door manufacturer that I commended last summer for being among the winners of the 2022 Energy Star awards.

● (1610)

**Mr. Francesco Sorbara:** Thank you, Minister.

I have a follow-up question. As the key economic generator of York Region, a region that is home to over 1.2 million residents, the city of Vaughan comprises about 40% of the economic output as measured and released by statistics. The city of Vaughan is home to businesses in such critical sectors as manufacturing and construction, as well as supply chain and logistics centres. We're also home to the two largest private sector unions in the province of Ontario on the construction side: LiUNA local 183 and local 27 of the carpenters.

With the impact of climate change, businesses will also need to adapt. How will the climate change adaptation program benefit the communities that depend on critical economic sectors? How will the climate change adaptation program ensure that Canada has the necessary workforce to design and implement adaptation actions?

**Hon. Jonathan Wilkinson:** Most businesses and communities certainly understand their climate change risks, but many lack the tools and the skills to evaluate the options for adaptation. The climate change adaptation program will continue to cofund projects that improve the resilience of communities and industries supporting underlying systems critical for our economic success.

This program will respond to the demands for personnel with expertise in adaptation, providing up to \$10 million over five years to cofund projects that support adaptation and skills development for professionals and to upgrade standards and qualifications for workers. It will build on previous projects, which enabled accountants, engineers and planners to integrate climate change adaptation into their advice and into their activities.

**The Chair:** We're now at the three-minute mark.

**Ms. Viviane Lapointe (Sudbury, Lib.):** Minister, you were recently in Sudbury to discuss critical minerals with some of our country's most prominent researchers and stakeholders in this space. It was a pleasure to welcome you to one of Canada's most important regions. The critical minerals supply chain will create good-paying jobs, grow our economy and help reduce emissions.

You mentioned during your last appearance that the critical minerals strategy was going to be released. Now that the strategy is out, how is this fitting into our broader economic plan?

**Hon. Jonathan Wilkinson:** I must say that it was really great to be in Sudbury with you and again at PDAC, where Sudbury has, perhaps, the best of the receptions.

As I've said many times at this committee, Canada is very well placed to become the supplier of choice for technology and clean energy and a reliable supplier of critical minerals.

As the world moves towards a lower-carbon economy, smart money is flowing away from assets that are not compatible with the transition to a net-zero world and towards opportunities that are. There are significant opportunities for Canada in this regard, if you think about biofuels, hydrogen, CCUS, the decarbonization of the oil and gas sector, SMRs, renewables and a range of clean technologies, but perhaps the most significant economic opportunity lies in the area of critical minerals. That is from the exploration, extraction, processing and refining to advanced manufacturing, including batteries, to the recycling of critical minerals.

Our strategy goes along that value chain. It is aimed at developing the entire value chain, including examples such as the rare earth processing facility in Saskatoon, Saskatchewan. Our strategy is, by definition, an economic plan, as the sustainable development of the critical minerals supply chain will attract investments and create good-paying jobs in every province and territory in this country, very much including processing like Electra Battery Materials.

[Translation]

**Ms. Viviane Lapointe:** Minister, you just mentioned the Electra Battery Materials project.

As is indicated in the supplementary estimates (C) 2022-23, this project, which involves refining cobalt, one of our critical minerals, will receive funding.

Can you explain to us how this funding fits into the overall development of our critical minerals supply chain?

**Hon. Jonathan Wilkinson:** Canada's Critical Minerals Strategy, which was supported by \$3.8 billion in Budget 2022, sets out a path for Canada to become a global supplier of choice for critical minerals and the clean digital technologies they enable.

This strategy has targeted cobalt as a critical mineral that can drive economic growth and contribute to priority supply chains.

The Electra Battery Materials project is consistent with the objectives of the strategy, in particular that of developing national and global value chains for the green economy and the government's climate change objectives.

[English]

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

We'll now move to Mr. Simard, who will have six minutes.

[Translation]

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

Welcome, Minister. It's always a pleasure to have you here.

Since I'm a good student, I listened to what you said in your presentation. You mentioned that we should not stick our head in the sand and that we need a clear-headed strategy.

I agree with you and hope that we will remain in agreement throughout my intervention.

In fact, not sticking your head in the sand means realizing that, unfortunately, in certain economies which have a low carbon footprint, some industrial sectors might have to be left behind. There is a concept I like a lot that can give us some perspective on that, namely the fair transition.

Indeed, Canada is a signatory to the Conference of the Parties, or COP. Canada signed on to the Just Transition Declaration.

My question is pretty basic. Do you agree with the idea of a just transition?

• (1615)

**Hon. Jonathan Wilkinson:** I think it's very important to have discussions on the economy of the future, which must be based on low carbon emissions.

It is important to have a plan for sustainable jobs and industries, as we did when we launched the Sustainable Jobs Plan.

**Mr. Mario Simard:** I will try to be more specific.

In my view, in the fight against climate change that we are waging, we need clear principles and frameworks. The just transition is a principle.

By signing on to the Just Transition Declaration, Canada committed itself to a lower carbon economy and to retraining workers so they can find employment in new economic sectors.

Is the just transition principle applied in your own department?

Do you apply guidelines in line with those of the declaration that Canada has signed on to?

**Hon. Jonathan Wilkinson:** Yes, and the words we use are important.

I personally prefer the words “sustainable jobs”, since they speak to the future, to opportunities for workers across the country, which is very important.

Of course, that's part of the economy. We need to grow our economy, but obviously we need to support jobs and workers.

**Mr. Mario Simard:** There you go. That's what I was getting at, Minister.

I find it strange that you've changed your tone. Unless I'm mistaken, the last time you appeared before the committee, it was in May in the course of our study on the just transition. You concluded your statement by saying: “By working together, we can ensure a just transition by creating sustainable jobs in every region of the country.”

You referred to the concept of a just transition, but, strangely, you seem to have changed your tone since the Premier of Alberta, Danielle Smith, sent a letter to the Prime Minister asking him to stop talking about the just transition and to speak more about sustainable jobs.

Personally, that bothers me a bit, since I feel there's a lack of courage when you don't want to refer to the idea of a just transition.

If you don't have the courage to use that expression, I'm not sure you'll have the courage to extricate yourself from a high-carbon economy.

Do you agree with my reasoning?

**Hon. Jonathan Wilkinson:** We started saying “sustainable jobs” well before Ms. Smith said we should use that expression. It is important to use words which reflect the future job opportunities in Canada.

I grew up in Saskatchewan, and I know that it's important to focus discussions on jobs and opportunities rather than on semantics. That's very important, and we must be careful to have discussions on matters of substance.

**Mr. Mario Simard:** I understand, Minister, but words and their meanings are important.

In my opinion, the fact that you are trying to get around the Just Transition Declaration sends a very bad signal. For now, I will give you the benefit of the doubt, but I'm not sure you're on the right track.

Before I finish, I would like to ask you one more question.

The cost overruns of the Trans Mountain pipeline expansion are shocking to many people. I liked what the Deputy Prime Minister said last February, namely that no additional taxpayers' money would go towards the Trans Mountain project.

When I look at the supplementary estimates, I see that an amount of \$811,000 is earmarked for strengthening the protection of the environment and to address concerns raised by indigenous people with regard to the expansion of the Trans Mountain pipeline.

We are talking about taxpayers' money. Taxpayers will be on the hook once more for the Trans Mountain pipeline.

• (1620)

[*English*]

**The Chair:** I'm sorry. We're out of time on this one.

[*Translation*]

**Mr. Mario Simard:** All right.

[*English*]

**The Chair:** We may have to come back to it, if you'd like a response, in your next—

[*Translation*]

**Mr. Mario Simard:** Since I am a gentleman, I will let the minister respond.

[*English*]

**The Chair:** We might have to leave that to the next round. Everybody has been pretty good about staying within their time.

The minister may want to start in the next round, but we are going to move right now to Mr. Angus, who has the floor for the next six minutes.

**Mr. Charlie Angus:** Thank you so much.

Thank you, Minister.



There's so much to talk about. We have Joe Biden coming. We're going to be talking about the IRA and Canadian investments.

I would like to start off, because of this reporting, on Paper Excellence. This is a company that now controls 22 million hectares of Canadian forest, it's been said, which is an area larger than Nova Scotia.

What concerns me is that they control Resolute, Domtar and Northern Pulp. Their ownership says they're Canadian-based, but what we've been trying to track is...it goes through a whole series of shell companies set up in the Netherlands, Malaysia, the Malaysian offshore jurisdiction of Labuan, and two shell companies in the Virgin Islands. All of them are tied back to Indonesia and the Sinar Mas group.

Do we have any certainty whether this company is a Canadian company? Who are they?

**Hon. Jonathan Wilkinson:** Thank you, Mr. Angus.

As you know, all investments, no matter their value, are subject to review under the Investment Canada Act. Paper Excellence's acquisition of Resolute was subject to the national security review provisions under the Investment Canada Act, and Canada's lead security agencies were consulted on the transaction.

Recognizing the need to ensure this investment continues to be in Canada's best interests, as part of the review process the investor had provided meaningful commitments to Canada, which include ensuring strong levels of investment, facilities in Quebec, maintaining existing patents, maintaining Canadian participation on Resolute's board and senior management team, and adhering to Canadian employment and environmental laws.

**Mr. Charlie Angus:** I find that interesting, because let's look at Northern Pulp in Nova Scotia, where the company was given an \$85-million holiday from paying the money they owed to the people of Nova Scotia. They failed to pay \$2.5 million in special pension payments. In December 2021, they launched a lawsuit against the people of Nova Scotia to the level of \$450 million for "indemnified losses" because their plant in Boat Harbour was shut down due to pollution. A report recently said that Northern Pulp's mill there exceeded the federal threshold of emissions by 100,000%. I've never heard that number used anywhere.

How could a company that is suing the people of Nova Scotia, that has such a bad environmental track record, assure the federal government that they are going to abide by all of Canada's laws and be good corporate partners?

**Hon. Jonathan Wilkinson:** As you know, the Government of Canada was very much involved in enforcing the provisions that actually led to the decision to shut down that plant because Boat Harbour was so polluted.

As I say, with respect to this particular investment, it was reviewed under the Investment Canada Act, there were a number of provisions that they had to prove to the relevant authorities, including the security agencies, and again, those procedures were all followed.

**Mr. Charlie Angus:** Would you say then that the review looked into their connection to the Asia Pulp and Paper company? There

are serious questions about Asia Pulp and Paper: human rights violations, environmental damage, even accusations of murder against human rights activists.

The connection between APP and Paper Excellence seems to be that they're the same family, the same people, and the allegation is that this is set up as a "fibre grab" for Chinese mills backed by Chinese bank state financing.

Can you confirm whether or not the connection to Asia Pulp and Paper was investigated?

**Hon. Jonathan Wilkinson:** What I can say to you is that all the relevant avenues under the Investment Canada Act were followed by the various agencies. As you will know, the Investment Canada Act actually resides under the Minister of Innovation, Science and Industry, not the Minister of Natural Resources.

As I understand it, Mr. Angus, you actually have put on notice the idea that the committee have a look at that, and that is certainly within the committee's purview.

• (1625)

**Mr. Charlie Angus:** I fully understand. Thank you, Minister, for that. It is the other minister's responsibility for the review. My concern is 22 million hectares of Canadian forest, fragile forest. This is something that all Canadians have a great stake in.

I'm wondering if you can tell us whether or not Jackson Wijaya Limantara is a Canadian citizen? Is he a permanent resident of Canada? We're looking into this guy. It seems that he's all part of the Wijaya family, which has a value of \$10.8 billion, one of the wealthiest families in Indonesia and sole shareholder of the Sinar Mas Paper China Investment Corporation. They own 100% of the shares of all the seven Asia Pulp and Paper mills in China.

Can you tell us whether or not this man is living in Canada, or is this business being run out of Shanghai?

**Hon. Jonathan Wilkinson:** I would say I certainly agree with your point that it is important for Canadians to understand the ownership of Canadian forests in the same way, and also to ensure that we are very thoughtful about the acceptance of Chinese investment. As you noted, we actually turned down three companies that were raising money in the critical mineral space from Chinese state-owned enterprises.

These are all the questions that obviously the national security folks would have looked at under the Investment Canada Act, but as I say, the committee is certainly within its purview to look to seek more detail from the relevant authorities.

**Mr. Charlie Angus:** One of their former managers at the APP Shanghai office says that their takeover of our Canadian mills is a "fibre grab" and that "They want to keep the perception that Paper Excellence is an asset of Canada for Canada and by Canada, but in reality, it's a feeder for the Chinese machine."

Given the situation that we're dealing with right now with political uncertainty with China, can you confirm whether or not you will be looking into this matter?

**Hon. Jonathan Wilkinson:** I think this certainly is a matter that the national security agencies and the relevant minister have been looking at, yes.

**Mr. Charlie Angus:** Thank you very much.

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

Next we have a couple of five-minute rounds. First up, I have Mr. Falk.

If you're ready, the floor is yours.

**Mr. Ted Falk (Provencher, CPC):** Thank you, Mr. Chair.

Thank you, Minister, for coming to committee.

Last time I was able to ask the officials about TMX, and I want to continue with that a little bit.

For the benefit of folks watching these committee proceedings, I'd just like to give a little bit of background. In 2018, the Liberal government denied the Trans Mountain pipeline expansion. Then they turned around and bought it for \$4.5 billion, with the understanding and the comment that to complete this Trans Mountain pipeline expansion would be an additional \$7.4 billion.

At the time, there was great concern that they had overpaid for this project. In fact, former Green Party leader Elizabeth May said that the decision to buy the Trans Mountain pipeline will go down in history as one of Canada's greatest epic economical boondoggles.

I did a little research as far as Kinder is concerned just to show that they actually did overpay. Kinder Morgan in that year recaptured all the depreciation and amortization on that project, plus they had to book a \$596-million capital gain. In fact, it was so lucrative that Elizabeth May said that Kinder Morgan will be "laughing all the way to the bank".

I just want to share that the base compensation for Kinder Morgan executives is \$400,000, but between 2018 and 2019 the vice-president and chief financial officer received \$3.2 million, the chief strategy officer received \$7.2 million, the president received \$8.8 million, the vice-president of natural gas received \$11.9 million and the president of terminals got \$9.7 million. The CEO got only \$16.9 million between wages and bonuses.

We know the Liberals didn't do a good job of buying it. We know from our last meeting, which was only three months ago, that this project was at \$21.4 billion, so it had tripled in price. Today, three months later, we're being told it's \$31 billion.

Minister, can you tell this committee when you found out that this project was going to be \$31 billion?

**Hon. Jonathan Wilkinson:** Thank you.

I have just a couple of things. First, I should say that the government bought this project because it would not have proceeded otherwise, and it is an important part of the infrastructure in Canada. We certainly don't intend to own it over the long term.

The evaluation that was established at the time was established by investment banks. I am not sure if you're an investment banker,

but investment banks actually established the fair value for the pipeline, not the Government of Canada.

The costs have gone up, yes. That is very unfortunate. We've seen costs go up for major projects across the board, but we have had two major investment banks actually establish that we will be able to sell it in the range of what it has cost us to date.

• (1630)

**Mr. Ted Falk:** Okay.

Three months ago, your officials confirmed that the completed project cost would be \$21.4 billion. Today we're being told that it's \$31 billion.

How, in three months, can a project go from \$21 billion to \$31 billion? I don't understand it.

**Hon. Jonathan Wilkinson:** I think the Deputy Prime Minister was quite clear when she put out the press release—as you know, this falls under her purview—that it has to do with a whole combination of factors, but certainly inflation is part of it.

The costs of major projects have gone up across the board. You would find that if you looked at the Coastal GasLink pipeline, which is a private sector-driven project that actually has seen cost increases not different from Trans Mountain pipeline.

There are range of other things, including accommodations along the pipeline to address indigenous concerns.

**Mr. Ted Falk:** Minister, when did you find out that it was going to be \$31 billion?

**Hon. Jonathan Wilkinson:** That work was going on with the folks at Trans Mountain, who were actually developing that until just before the Deputy Prime Minister announced it.

**Mr. Ted Falk:** Three months ago your deputy minister committed to this committee that it was going to be \$21.4 billion. In three months, there's a \$10-billion error...?

**Hon. Jonathan Wilkinson:** If you go back and look at Coastal GasLink, you will find very similar things with respect to a private sector-driven pipeline. This is an unfortunate reality—nobody likes it—of what is happening in major projects right now.

At the end of the day, what Canadians need to understand is whether we will recover the money. Both of the investment banks that we had do the analysis would say yes.

**Mr. Ted Falk:** I got a list from the department of the \$8.8 billion between the last estimates of \$12.6 billion to \$21.4 billion.

Will you provide this committee with a breakdown of the additional \$10 billion of expenditures on those?

**Hon. Jonathan Wilkinson:** Again, this does not fall within my purview. If you want to ask the Minister of Finance that question, you are absolutely entitled to do so. It falls within her purview, and it is her decision as to what is publicly available and what is not.

**The Chair:** I'm sorry, folks. We're out of time on this round.

We're going to go now to Mr. Chahal, who will have five minutes on the clock.

**Mr. George Chahal (Calgary Skyview, Lib.):** Minister, thank you for joining us today.

I'm going to focus my questions on youth across Canada. My first question, Minister, is this: How will NRCan's youth programming contribute to the government's broader goals of investing in the green economy and building a skilled and inclusive labour force across Canada?

**Hon. Jonathan Wilkinson:** That's a great question. I know you've been an advocate for supporting the skills development of your constituents in Calgary Skyview and across Alberta more generally.

The NRCan science and technology internship program - green jobs is a great program. Often called STIP, it provides funding to employers in the natural resources sector to help hire young and diverse talent while giving youth hands-on experience in STEM and other related fields that support Canada's green economy. Internships and training opportunities created with funding from STIP - green jobs meaningfully advance environmental outcomes in the natural resources sector across Canada.

About 80% of youth who do the program find full-time employment afterwards. We achieve an employment equity target of about 60%, and we work with initial recipients who can successfully serve youth experiencing barriers to employment opportunities. The transfer will provide NRCan with the ability to create 150 additional youth placements in the natural resources sector, for a total of 470 by March 31, 2023.

**Mr. George Chahal:** Thank you, Minister.

Can you also provide details on the selection process for the additional 150 youth placements in the natural resources sector? How will they ensure that these placements are accessible to a diverse range of applicants?

**Hon. Jonathan Wilkinson:** The program works with initial recipients who were selected through a two-year inclusive competitive call for proposals to distribute funds to employers and youth. The initial recipients were the UN Association in Canada, the Environmental Careers Organization of Canada, Electricity Human Resources Canada and the Clean Foundation. They are responsible for the selection of employers and youth, and have demonstrated strong results in reaching youth experiencing barriers to employment in the past.

The additional 150 youth placements will be created by existing initial recipients, and they will be based on their capacity to take on additional placements this late in the fiscal year and their ability to serve youth experiencing barriers, including indigenous youth, racialized youth, youth living with disabilities, northern youth and those living in remote communities.

• (1635)

**Mr. George Chahal:** Minister, how will NRCan measure the success of this initiative, and what steps will be taken to ensure that it's meeting its objectives in terms of providing meaningful training

and employment opportunities for young people in the natural resources sector?

**Hon. Jonathan Wilkinson:** The contribution agreements between NRCan and initial recipients include several targets on which we report regularly to the Treasury Board Secretariat to ensure that the objectives of the youth employment and skills strategy are met and that youth are provided with meaningful training and employment opportunities in the sector. Again, we're on track to create a total of 400 youth placements with 60% employment equity.

**Mr. George Chahal:** Thank you, Minister.

The next question is about internship partners. How will NRCan work with other government departments and agency partners involved in the youth employment and skills strategy to ensure that young people from diverse backgrounds—and Skyview is one of the most diverse ridings in Canada—are aware of and have access to these training and internship opportunities?

**Hon. Jonathan Wilkinson:** We've adapted the program in response to feedback from participants in the program and from employers to ensure that young people from diverse backgrounds can access training and work experience opportunities.

The program works with the initial recipients that I talked about to ensure that programming is accessible in urban, rural and remote communities across Canada. Working with small, regional and indigenous-focused initial recipients has increased awareness of the program in under-represented communities. We've been very responsive to feedback and certainly have used varied means of communication to conduct the different kinds of outreach.

**Mr. George Chahal:** Thank you, Minister.

Does NRCan plan to build on the success of this initiative beyond March 31 of this year and to continue to support people in the natural resources sector in the long term?

**Hon. Jonathan Wilkinson:** Absolutely. This is a really great program. I've met a number of the young people who are actually involved in it, and certainly, we have received two years of funding for the time being. We will use this funding to continue to build on the success of this initiative and to support young people as they seek to enter the natural resources sector workforce.

We have also recently launched, I should note, Natural Resources Canada's first-ever ministerial youth council, which will be utilized to ensure that we keep this momentum going by hearing from young climate and energy leaders on what more we should be doing.

**Mr. George Chahal:** Thank you, Minister, for those in-depth answers.

**The Chair:** We're out of time there.

We're going to move over now to Mr. Simard, who will have two and half minutes.

You left off a conversation. I'll let you decide if you want to pick it up or move on to something else.

[*Translation*]

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

Minister, on November 9 last, I published a letter in the *Journal de Montréal* on the sale of Resolute Forest Products to Asian Pulp and Paper. I don't know if you've read it, but I invite you to do so. It's very well written.

We brought this matter to the attention of the government a while ago. On January 31, several unions and I met with your colleague Mr. Champagne to raise some of our concerns with him.

As for you, did you only find out recently about the sale or were you already aware that Resolute Forest Products had already been sold a while ago?

**Hon. Jonathan Wilkinson:** No. It was on the news for a month or two. That's where we heard about it, and there had obviously been discussions between the two companies. However, the issue was brought to the attention of the government after a deal was made between the two companies.

As I said, security agencies had...

**Mr. Mario Simard:** I understand.

I'll tell you what people in the business see as being the main problem.

The former owner of Resolute Forest Products, Fairfax, did not invest a lot in Resolute's facilities. By the way, these people own a quarter of Quebec's forests. Some people thought Asian Pulp and Paper would save jobs and the business, even if that seemed implausible. However, the main problem is that forestry companies, such as Resolute Forest Products, get nothing at all from the federal government. The Investments in Forest Industry Transformation program, or IFIT, is chronically underfunded. That's what people in the business say: if you're a small forestry producer, don't even think about getting funding from Canada Economic Development for the Quebec Regions. Your application will be rejected outright because you will be redirected to Global Affairs Canada.

Isn't the basic problem with the sale of Resolute Forest Products the lack of financial support from the federal government?

• (1640)

**Hon. Jonathan Wilkinson:** The Department of Natural Resources does make investments. We invested nearly \$200 million in the forestry sector to promote its products, in particular value-added products. Of course, we had discussions not only with Resolute Forest Products, but also with other companies.

That said, this transaction happened between two private companies, and the role of government is to conduct an investigation, which falls to Mr. Champagne, under the Investment Canada Act.

[*English*]

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

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

**Mr. Charlie Angus:** Thank you.

Joe Biden is coming to town. He's a friend, an ally and also a major competitor. He's not going to give us any advantage unless we take advantage.

I say that because Canadian companies in critical minerals and Canadian companies in clean energy are going up against multiple state-backed foreign entities that are investing heavily: Australia, Japan and even the U.S. Department of State.

Given the stakes we're facing, is this government looking at taking an equity stake in critical mineral projects? If so, how would that work?

**Hon. Jonathan Wilkinson:** Mr. Angus, I certainly would agree with you that the Inflation Reduction Act has created some significant competitive pressures in a number of areas, not simply in critical minerals. That is a concern that is shared with our friends in Europe, with our friends in Japan and with our friends in Australia, in part because of the nature of the subsidies that they've done through production tax credits, which are quite different from investment tax credits and far more generous over the long term.

This is something that we absolutely are looking at with respect to not only critical minerals but other areas that are deemed to be strategically important for the future of the Canadian economy, and how we need to use instruments such as the strategic innovation fund, tax tools and the Canada growth fund, which can take—once it's established and up and running—equity positions in those kinds of areas.

**Mr. Charlie Angus:** Thank you.

I met yesterday with energy workers and unionized workers from Edmonton. They are concerned about making sure that they are able to play a big role in this.

If we're talking equity stakes, we know that Joe Biden is always talking about good-paying union jobs and how that's going to be the sustainable economy. If we're taking equity stakes in projects, are we going to insist that we have good labour standards, that we're not creating McJobs and offshoring jobs, and that we're going to create jobs in Canada with well-trained union workers?

**Hon. Jonathan Wilkinson:** I think you've seen a commitment in the fall economic statement to ensuring that we are creating good-paying jobs when there were provisions associated with that tied to the hydrogen tax credit and the clean technology tax credit. Of course, they were fleshing that out, and we've looked for input from labour and from industry on that. I actually was speaking with Sean Strickland yesterday about exactly that issue, but certainly we recognize the need, if we are going to be using taxpayers' money, to ensure the jobs being created are good-paying jobs.

**Mr. Charlie Angus:** Thank you.

**The Chair:** We're out of time. That was perfect timing.

We have two more questioners.

Minister, you have 10 minutes left with us: one five-minute round with Mr. Patzer and one with Mr. Blois.

With that, we'll jump right into Mr. Patzer's five minutes.

When you're ready, the floor is yours, Mr. Patzer.

**Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC):** Thank you.

Quickly, Minister, again, where in Saskatchewan are you from?

**Hon. Jonathan Wilkinson:** I'm from Saskatoon.

**Mr. Jeremy Patzer:** Okay. Right on. I thought that's what it was, but I just couldn't.... You kind of piqued my curiosity—

**Hon. Jonathan Wilkinson:** I also lived in Regina.

**Mr. Jeremy Patzer:** There we go.

With your idea of a just transition, do you agree that it's important to help communities survive, along with keeping people employed?

**Hon. Jonathan Wilkinson:** I think the whole plan for sustainable jobs is important to paint a picture about what the opportunities—and I think there are huge opportunities—of the economy are going to look like, but also to support individuals and communities, including coal-dependent communities, which I know are important to you.

**Mr. Jeremy Patzer:** Yes, absolutely.

I was reading through some of the language used in the report that was put out by the government. It talks about moving people to jobs. Now we know that jobs don't just naturally come to rural Saskatchewan of all places. It's difficult to create a lot of jobs in those areas. I'm just wondering how you're actually going to go about making sure that these communities are able to retain the people by keeping jobs right there, and that it's not “here's a new opportunity for you to move” from Coronach or Rockglen to Saskatoon, Regina, Calgary or wherever. These people, they don't want to move. They want to stay where they are. They love their communities. They love their small towns. They love the way of life that they have in rural Saskatchewan.

That's the fundamental concern that people are talking to me about, whether it's people who are on the lobbying side or people who are working in these industries. It's some of the spinoffs from this. It's the people who run the grocery stores. It's the people who have the local coffee shops. It's people who are working in health

care in the region. How do we prevent the centralization of all of these industries into other communities, basically wiping these communities off the map? That's what they're concerned about.

If you have more clarity for these people right now, I'd appreciate your putting that on the record.

• (1645)

**Hon. Jonathan Wilkinson:** Sure.

Look, I agree with you. This can't just be about creating jobs and moving people to urban centres. We actually have to be thoughtful about how we engage and look at economic development opportunities that apply just as much to rural areas. I think the positive thing is that many of the opportunities of the future are actually opportunities that can leverage the activity that goes on in rural areas already.

If you think about biofuels, for example, Federated Co-op is looking at building a big biodiesel facility. That actually leverages canola and the agricultural sector. If you think about critical minerals, most of those are actually going to happen in rural areas, especially in the northern part of Saskatchewan, and that is something that can create great jobs and economic opportunities. It's the same thing with value-added forestry. Look at what they're doing in Meadow Lake with clean tech in terms of how they actually are managing some of the waste residue.

**Mr. Jeremy Patzer:** With due respect, though, Federated Co-op is based in Regina. They're not based Coronach, three hours—

**Hon. Jonathan Wilkinson:** Canola is grown in rural areas. Isn't that right?

**Mr. Jeremy Patzer:** It sure is, but it doesn't mean that 300 jobs in Coronach can be replaced unless Federated Co-op is going to build that refinery in Coronach. They already have the facility in Regina. That's the discrepancy we're seeing and that we're concerned with.

Yes, it's great that there's more opportunity down the road for our producers, but they're already growing those crops. That's not a brand new concept to them. These are things they've been doing for years.

How do we make sure these people don't lose their jobs and lose their communities and their way of life?

**Hon. Jonathan Wilkinson:** Yes, and that's why a big chunk of the money was actually flowing into discussions around the coal-dependent communities, because it is important we actually phase out coal. Coal is the biggest cause of climate change around the world. It was for regional economic development.

I met with the mayor of Coronach a few months ago. I know that they're very keen on this coal gasification opportunity, which they think could be a pathway to doing different things in the community. We've been engaging them on that and we're looking for opportunities like that in other coal-dependent communities.

**Mr. Jeremy Patzer:** The next part of it all is that the Auditor General said that you guys have already basically failed with the implementation of your plan. There are 14 objectives. Only about four of them have been implemented. You guys also lost and wrote off two years because of COVID. Everybody just sat on their hands for two years and did nothing, yet you're not bumping up the two-year timeline for those communities.

When you have the independent auditor already saying that you guys have failed, how are you going to make up for that lost time? How are you going to make up those gaps? There's been a ton of money already spent to accomplish nothing, so how are you going to make that up?

**Hon. Jonathan Wilkinson:** I wouldn't say it accomplished nothing. I don't think the folks from the rural economic development agency around Coronach would say nothing.

I do think that continuing work needs to be done, particularly in Saskatchewan. In Alberta, they have the same coal phase-out timeline, and they're actually going to be off coal this year. Saskatchewan will take all the way until 2030.

There is going to be a need for a continuing conversation about how we actually ensure that those workers are dealt with fairly and that we are actually finding economic opportunities for the communities. I don't disagree with you.

**The Chair:** We're out of time on that one.

I'll just let our guests who are online know that we have five minutes left. There is one more round of questions, so get ready with your camera buttons and we'll invite you to join us online in just a minute.

To conclude this round with the minister, I have Mr. Blois for five minutes.

The floor is yours.

**Mr. Kody Blois (Kings—Hants, Lib.):** Thank you, Mr. Chair.

Thank you, Minister, for your leadership. We actually spoke yesterday in the lobby and talked about how expansive your portfolio is. There could almost be three different ministers for all the work that you are doing on what is a really important portfolio to Canada.

Forestry is a big industry in Kings—Hants. We've had testimony about the importance of wood as it relates to mass timber. I know in your home province and in other places in the country there are some mass timber facilities that are playing in. There's a company in Nova Scotia called Mass Timber Company. It has two of the largest saw mill owners in the province, which happen to be located in Kings—Hants. They're looking to try to get a project off. IFIT has been a really important program to drive some of these innovations in forestry. I believe it's oversubscribed. It's been a very popular program.

Could you tell those folks at home who might be listening if that is the mechanism we would be encouraging this type of company to apply for? Is that something that NRCan continues to want to commit to in the days ahead?

• (1650)

**Hon. Jonathan Wilkinson:** Thanks for the question.

I certainly understand the importance of the forest sector in your riding and for your constituents. Certainly, I'm aware of the Mass Timber Company and the work that they have been doing.

I'm actually quite interested in the kind of work that they are doing. If you look at where Canada sits on the dollars per cubic metre that we extract, we don't actually look that great relative to many of our international peers. There are some structural reasons for that, but we need to think about how we can do better. How do we actually move up the value chain and create more value from the same amount of wood that we're taking out of the forests?

Mass timber is an interesting opportunity in that regard for your province and certainly for other provinces as well. We used IFIT with the Mass Timber Company in a number of different areas. Our funding for forestry sunsets this year, and we're looking for a renewal of funding in the upcoming budget. Of course, we're one of many.

Certainly the focus for us going forward would be exactly on tools like IFIT and other things that are looking at value-added products.

**Mr. Kody Blois:** Offshore in Atlantic Canada, we talk about the opportunities, whether it's hydrogen.... Traditionally, of course, the offshore in Atlantic Canada was around oil and gas. There's not as much exploration work happening right now, but those bodies—the offshore petroleum boards—can be really important agencies to drive the regulatory certainty that we talked about.

Can you give this committee any sense of an update on the timeline of the work that might be happening with Nova Scotia to have that regulatory certainty in place?

**Hon. Jonathan Wilkinson:** It applies both to Nova Scotia and Newfoundland and Labrador. The offshore boards are going to be effectively renamed as the energy boards. We have undertaken to introduce legislation into Parliament to actually change the accord acts. Justice has almost finished drafting the amendments, so we're on track to introduce the legislation this spring. Once the federal legislation is in place, the provinces then need to enact mirror legislation because there's no paramountcy there.

We foresee all of that being in place such that the first call for bids for offshore wind development could be launched in early 2025.

**Mr. Kody Blois:** That's great.

I want to talk about regulatory reform because of the conversation around the IRA. Government investing in these programs is an important piece, but so too is the certainty.

Minister, you've talked about how we can expedite existing work without compromising values. Can you speak to what some of your priorities might be, as a minister, for trying to create that efficiency, I'll say, in terms of permitting, whether it be critical minerals or otherwise?

**Hon. Jonathan Wilkinson:** Yes. We brought forward the Impact Assessment Act to ensure good projects can actually move ahead expeditiously and to ensure issues are flagged early in the process. Of course, the way in which you implement is just as important as the framework legislation. We are not interested in cutting corners from an environmental perspective. We are not interested in cutting corners in terms of the consultations that we need to have with indigenous communities.

There is a whole range of things that we can do and are doing to try to ensure that we are as efficient as we possibly can be. That goes from things like making sure that proponents are ready to enter, to the process. We often find that mining companies come in and six months into it they figure out that they don't actually have the data, and they have to go back and collect it for two years. It means properly resourcing the agencies so that they're not waiting and projects aren't sitting there for a year or two before you ever start. It means trying to do activities concurrently rather than consecutively.

We have an internal cross-government process going right now to try to ensure that we are finding ways to make the process more efficient, and then we started the regional energy and resource tables, which are about engaging each of the provinces and territories—because in the area of natural resources, every one of them has their own process that is different—to try to find ways to optimize and align the regulatory and permitting process so that we can all go faster.

This is really important, because if you think about critical minerals, for example, if we're going to hit our climate targets in 2035, we have to find ways to be more effective and more efficient without cutting environmental corners and without forgetting about our obligations to discharge our constitutional obligations to indigenous communities.

**Mr. Kody Blois:** Mr. Chair, I'm probably out of time, but with permission—

**The Chair:** Yes. That takes us to the end of our time.

I want to thank everybody for their discipline with the time, including the minister.

I think, Minister, that this is the end of the time you have available for us.

I would invite all of the other online guests to put their cameras on, which we need for translation purposes.

We're at five minutes to five. Normally we would end at 5:30. We do have the resources available until 5:50, which is two hours from when we started. I'll see how far we get. The first round is going to be 25 minutes, and the next round would be 25 minutes. I'll check and see where we want to go after the first 25 minutes. We can keep going, or if we want to end at 5:30, we can do that. Are we ready with our officials?

Minister, thank you so much for joining us. It's always a pleasure. It's great to explore a round of topics related to the estimates and other items related to your portfolio. Thank you.

If we're ready to move right into the next round with Deputy Minister Hannaford and his team, we'll do that.

First up for five minutes, I have Mr. Dreeshen.

If you're ready to go, the floor is yours.

• (1655)

**Mr. Earl Dreeshen (Red Deer—Mountain View, CPC):** Thank you very much, Mr. Chair.

Of course, it's the beauty of the fact that the Prime Minister's mandate letters, whether they be for the environment or natural resources, are basically identical. This is not so good for the resource sector, but it's certainly good for well-rehearsed common government responses and messaging.

I have a couple of concerns.

When the minister was here, he spoke about UNDRIP and dealing with first nations and indigenous investors. My biggest concern is the fact that, with the actions of this government, we are looking at stranded assets from many investors, but it's certainly going to happen with our indigenous partners as well. I mentioned that quite frankly it looks as though we are somewhat “eco-colonialists” here, as if we know just what is best for them. Any of the things and the activities they have certainly make it a concern.

That's where it ties in with Trans Mountain, because much of the talk has been around perhaps getting indigenous leadership and purchases there. The minister was pretty adamant that there will be enough money to get so that the Canadian government won't be on the hook for this, but I don't quite share the same optimism that he has there. When it comes to how that is going to look in the books, there are two things I want to know.

First of all, will it be considered a government loss if we cannot get what we said was \$30.8 billion today, but two years from now might be \$45 billion? Is that going to be a government loss? Are we going to hear stories like how if there is this loss, then it has to be a subsidy to oil and gas because the government is dealing with that?

What do you see in the future as far as a project like Trans Mountain goes and how is it going to be managed?

**Mr. John Hannaford (Deputy Minister, Department of Natural Resources):** Thank you, Mr. Chair.

The Trans Mountain extension is forecast now to be completed by the end of this calendar year. We've discussed the estimated cost at this stage. As the minister stressed, the advice we've received from financial advisers suggests both that the current financing options are viable and that the asset will continue to be a viable asset. That's the basis on which we are proceeding.

I think more detailed questions might be better placed to our friends in the Department of Finance, but I'd also—

**Mr. Earl Dreeshen:** That's fine, because I think that's where the minister had gone as well.

I guess one of the other things is that we were talking about critical minerals. We know that critical minerals are needed to build EVs and batteries. We also know that Canada has little or no EV-ready critical minerals supply. There was a big push to try to get to electric vehicles in the next five to 10 years, but we know that we're not going to get that out of Canada. We can talk about how great it's going to be and so on, but.... I was with the mining folks earlier in the month as well. There's a lot of excitement there, but they know that it isn't going to happen.

The other thing is this. Can we make sure that, when we're talking about critical minerals and we're talking about the environment, we're also taking a look at what the processing is going to be like, what the environmental impact is going to be there and how much energy is going to be needed? You talk about having our heads in the sand. We're going to need all the energy we can get to make sure that our critical minerals strategy is going to work. Maybe instead of saying that we have to shut this down as we try to build the other up, we have to keep it all going like the rest of the world is doing.

I would like to know, if that planning is done, if we can ensure that we see what the actual energy costs will be in order to make sure that this happens. What efficiency measures or what other metrics can you share with the committee when it comes to that process?

**Mr. John Hannaford:** Thanks very much, Mr. Chair.

First of all, the EV mandate, the sales mandate that will apply in Canada, would be sales of EVs by 2035. That's the horizon with respect to the vehicle side.

The critical minerals strategy that we announced in December is intended to be a full-spectrum strategy. It is to apply to not only the extraction but also the processing and the various applications of these minerals. That is very much front and centre in the way that we frame the strategy, not only because of the domestic opportunities that exist with respect to critical minerals in Canada, which you mentioned and the minister mentioned, but also because of some of the geopolitical aspects of this, which create a particular opportunity for Canada as we work closely with allies.

This is one of the critical areas of conversations we have with some of our closest friends, including through the G7.

• (1700)

**The Chair:** We're out of time.

Next up I have Ms. Dabrusin.

The floor is yours for five minutes.

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

I want to ask some questions about nuclear. It's an issue that has a lot of conversation around it. Being from Ontario, I've seen the importance of nuclear as we transition from coal-fired electricity. I always like to say that it's one of the greatest successes that we went from having an average of 55 smog days a year to zero. It's great, because I'm a runner and I always really appreciate the clean skies that we have.

I saw that there's funding here for the Canadian Nuclear Safety Commission within the supplementary estimates (C). It got me thinking about the small modular reactor strategy and what we're doing with small modular reactors. Can you tell me a little bit more about that?

**Mr. John Hannaford:** Yes. We're lucky in Canada to be blessed with a very clean grid generally. Nuclear plays an important role currently with respect to that in a number of jurisdictions, including, importantly, Ontario.

The importance of small modular reactors is something that we have highlighted through the strategy you mentioned. We have a table that has been established to coordinate between jurisdictions and industry and other players the further refinement of positions around deployments of SMRs. Canada's a world leader at this stage, with the investments that have been made in the Darlington facility to create a 300-megawatt grid-attached SMR. We are at the forefront of deployment of the technology. That will provide a bit of a proof point as to where other jurisdictions may be able to apply the technology both inside and outside of Canada.

There is a tension to the work we are doing. In the international conversations we have, this comes up frequently. It's certainly an area of importance with some of our closest allies, including our friends south of the border. I would say that this is an area, generally in nuclear, where Canada has both a deep history as a tier one country in the development of the CANDU reactor and the full supply chain that exists there. By virtue of Cameco and other players, we have both the supply of uranium and the technologies that apply that. It is an area where we do see a particular Canadian niche that is of importance.

**Ms. Julie Dabrusin:** Actually, I'm happy that you mentioned the Darlington part of it, because that was a recent announcement, I believe, in the past few months, and you might be able to correct me if I have that wrong. At the same time, there was the announcement of a regional table that was created with the Province of Ontario. If I recall, nuclear was part of that regional table as a list of priorities.

How do regional tables play a role in forwarding those kinds of conversations?

**Mr. John Hannaford:** Yes, regional tables are important. As the minister mentioned, we are seeking to establish across the country with each of the jurisdictions a dialogue to establish areas where we have identified priorities where there is a particular regional advantage, both in terms of the domestic realities but also in terms of the comparative advantage internationally where we could think about trade opportunities. Each of those is going to be different in each of those jurisdictions by virtue of the circumstances of each of those jurisdictions, but our anticipation is that nuclear will be part of the conversation in a number of those areas, because it does have potential, we do have assets and there is real opportunity there.

**Ms. Julie Dabrusin:** That's pretty much the end of my time.

Thank you.

• (1705)

**The Chair:** Thank you.

We'll move now to Mr. Simard, who will have two and a half minutes.



[Translation]

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

Perhaps someone can answer a question I asked the minister a little earlier.

In my view, there is a principle which applies to every project, and that's social acceptability. I'm thinking in particular of a project in my riding, in my region, where GNL Québec had to pay for trying to convince the public that any repercussions on people would not be significant. To address those concerns, GNL itself had to pay for the various costs associated with that.

I always remember what the Deputy Prime Minister said, namely that there would be no additional spending of taxpayers' money on the Trans Mountain pipeline expansion. So I have a hard time understanding why you are asking for \$811,000 in the supplementary estimates. That's taxpayers' money, isn't it?

[English]

**Mr. John Hannaford:** They're not for the construction of the TMX pipeline. They are to support accommodation measures to indigenous communities.

[Translation]

**Mr. Mario Simard:** That's why I gave a long preamble in which I indicated to you that for the same type of project, in this case, GNL Québec, the company had to pay for all of the assessments and mitigation measures, which are often euphemistically referred to as “social acceptability”.

In short, you're still asking for public money. As far as I'm concerned, I just want to hear you say that taxpayers' dollars are still going into the Trans Mountain project.

[English]

**Mr. John Hannaford:** These are specific accommodation measures that have been undertaken with the indigenous communities affected in the region. Governance is established to deal with these issues, and the specific item that's covered in supplementary estimates (C) is to address that.

[Translation]

**Mr. Mario Simard:** I understand. Let's just say that, for regular people, public money is still being spent on the Trans Mountain pipeline.

I don't know if you're aware, but many Canadians are having problems with your Canada Greener Homes Grant. Apparently, there are delays of six months or longer, follow-ups for franco-phones written in English only, and it's impossible to reach an official at the program. I've personally never heard as many complaints from my colleagues—they know I sit on this committee—regarding any other program.

Even worse, someone from Lévis had to sue Natural Resources Canada because they got their money one year late.

Is this type of mismanagement par for the course at the Canada Greener Homes Grant?

[English]

**The Chair:** I'm sorry, but we are at the end of the time there. We won't be able to take more questions and keep going. If we get to another round, you may want to offer the chance for a response.

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

**Mr. Charlie Angus:** It's five minutes, I believe.

**The Chair:** It's two and a half, because we're continuing on.

**Mr. Charlie Angus:** Okay. Thank you.

Mining is a rough business. I keep hearing on the radio how we're going to move up our timelines from 15 to 10 years. There are very few mines that get up faster than that, because these are complex ore bodies that have to be identified. Money has to be raised.

There was a very interesting cobalt mine they were looking at in my backyard, just up the road from me in the town of Cobalt where I live—and it stopped. I met one of the geologists, and I asked why they had stopped. It was because once pot became legal all of the investment money went to cannabis shops, and that was it for the cobalt production. That's the market.

What role can the Canadian government play in terms of equity stake? How would that work? Are you talking about giving junior mining companies funding tax credits? What are we going to get in return? What is an equity stake if we're talking about critical minerals?

**Mr. John Hannaford:** Thanks, Mr. Chair.

The critical minerals strategy was underpinned by a \$3.8-billion funding announcement, which was in part around exploration, in part around infrastructure and in part around research and development. Those funds are in the process of being unlocked right now. We are looking at the full value chain, as I mentioned earlier, with respect to these minerals, not only because of the availability of the minerals themselves but also the importance then of their application in the value chain.

I would say that the piece around the speed at which we can look at the assessment process and the regulatory process generally are things that, as the minister mentioned, have a couple of facets. One of them is work that's being done internally in the government right now to look at how we can be building efficiencies. That's being led by our colleagues at the Impact Assessment Agency.

The other piece is the regional tables process. The intention there is that, for those areas that we've identified as priorities, how can we be as focused and as efficient as we can be within the parameters of the rules we've established?

• (1710)

**Mr. Charlie Angus:** I know I'm running out of time here, but we're hearing that the U.S. State Department is interested in investing. There's a huge nickel deposit outside of Timmins. How are we going to say.... We want to make sure that goes to Canadian critical minerals and doesn't go to U.S. military purposes or some other nation. How do we put the stake on resources? Do we have to buy into it and say that this is going to be part Canadian-owned? How do we make sure that the supply chain actually benefits the manufacturing that we want to start in Canada?

**The Chair:** I'm sorry. With that, we are out of time on that round, with the same amount—slightly over—as Mr. Simard had, so maybe I need to park that one.

I have two more speakers in this round.

Next up is Mr. Patzer for five minutes.

**Mr. Jeremy Patzer:** Thank you very much to the officials for sticking around. I really appreciate that.

There was one question I wanted to follow up on. It goes back to a report from the Auditor General's office. It was in regard to the just transition task force, where 10 commitments were made and only four of them were met. The four that were met were actually met through the regional development agencies, not even by the department.

One in particular...because the just transition is going to be all about workers but also about communities. I found it very telling that one of the recommendations at the end said this:

The Atlantic Canada Opportunities Agency and Prairies Economic Development Canada delivered coal-transition programs but could not demonstrate that all of the projects they funded supported a just transition for the affected communities.

Again, you guys are going to be the ones who are going to be working extensively on this, hopefully for the next seven years, and hopefully you've been working on it for many years prior to now as well. How do we make sure that we're focusing on communities when the Auditor General is telling us that, so far, we've missed the boat?

**Mr. John Hannaford:** I think the minister is saying that one of the critical pieces around the sustainable jobs plan and the work that the government is doing is to align that with the work we're also doing through the regional tables exercise. That is intended to describe essentially a regional economic strategy for each of the provinces and territories so that, as we think about issues like labour availability and labour development, we're doing it in the context of an economic plan that is both agreed upon and tested with the private sector, with labour movements and with indigenous communities so that it is relevant.

That is, as I say, the critical counterpiece to the sustainable jobs plan, which will include legislation in the fullness of time and a secretariat, but it is to be done within that context of a broader economic plan.

**Mr. Jeremy Patzer:** The sustainable jobs plan, as it's now being called by the government, is basically right now a plan to make a plan in 2025. How are we going to make sure that there actually is a plan that's going to be implemented and that will start in 2025?

Again, these communities, they don't have long to wait. If there's no hope on the horizon for them, right away it's going to be completely demoralizing to thousands of people, not just in my riding but in Earl's riding and other ridings all across this country. This is devastating.

To the point I made to the minister, we lost two years because of COVID. The Auditor General's report also referenced that there were two years of nothing done on this file. We've lost time. How are you guys making up for that lost time? How are you going to make sure that these communities aren't devastated and wiped off the map?

**Mr. John Hannaford:** I think our expectation is that, as is evident in some of the conversations we are having, there are going to be huge opportunities across the country. We really are at a moment right now where Canada has assets that are of real importance. There is an opportunity for us to act on those in a way that should give enormous hope to people as they are thinking about the future of employment and the future of economic development generally, whether it is as a result of the critical minerals we have across the country or as a result of the deployment of hydrogen technologies and biofuels. A whole series of areas of activity will be in demand—

• (1715)

**Mr. Jeremy Patzer:** That's great. Critical minerals are important. That's a whole separate issue and story because in Coronach and Rockglen, critical minerals aren't necessarily where there's going to be the development there. What are you guys actively doing to identify what the next drivers of the economy are going to be? We're looking for specifics. You've already had a couple of years to build up into this, even with the two years lost to COVID.

How are you going to identify the sectors that are going to be driving the future of the economy for Coronach, Rockglen, Willow Bunch, Bengough and all these communities? It's easy to talk about Estevan and Weyburn. They're bigger communities and they have a few other things going on.

For towns of 400 or 500 people, when you remove the main driver of the economy outside of agriculture, which can't pick up the jobs that are going to be lost in these other sectors, how are you going to make sure you identify only the sectors that will work in those communities specifically? Those are the communities that are being transitioned.

**Mr. John Hannaford:** I really think the intention of these conversations we're having is to have place-based strategies. I've talked to labour movement leaders in Alberta, for instance, and that was precisely what they were asking for. It was not to have generalized....

I'm sorry. I've hit my time limit.

**The Chair:** Feel free to finish your sentence but don't start a new one.

**Mr. John Hannaford:** I'm very obedient.

It's not to have abstract plans, but to think very specifically about what the economy of the future is going to look like and then think about what the job implications of that are.

**The Chair:** Great. Thank you.

The final one in this round is Mr. Sorbara for five minutes.

**Mr. Francesco Sorbara:** Thank you, Chair.

I'm going to give a minute or two to Mr. Blois once I finish up.

To the various individuals, both virtually and here, you have very important roles in terms of executing and planning, to a certain extent, the policy with regard to our economy in a critical sector.

We've seen over the last 12 to 24 months how geopolitical circumstances have changed things in terms of the importance of energy security and energy affordability, and the importance of robust supply chains, especially in critical areas. We've seen how we need to delink certain supply chains and ensure that they are—I once used the word “funded”—supplied by countries like Canada, which have democratic values, democratic institutions and believe in human rights.

In terms of our critical minerals strategy, without getting into the politics, I believe one large step is ensuring that Canada has a role to play within the supply chain and the strategic sectors.

With regard to everything we've put together, how is that shaping up or framing, in your mind, in terms of getting these minerals out of the ground, getting the permits and getting those critical minerals to various sectors, including the automotive electric vehicle sector?

**Mr. John Hannaford:** The government has identified a multi-faceted strategy. It was released last December. It really does transcend the scope of critical minerals and their application.

As you say, the geopolitics of this are not incidental. This is one of the reasons we are at a moment for Canada. It's because the circumstances in the world have taught us that supply chains can be vulnerable and that, in the absence of reliable partnerships, countries can be in very difficult situations. We have a number of partners that are interested in ensuring we are part of their supply chains because we are seen as reliable and we are seen as having resources that are important.

At the same time, as the policy makes very clear, there's a significant industrial component to all of this. It's not simply about extracting the resource and shipping it elsewhere. It is about applying it through processing streams and also thinking about the application of those minerals in things like batteries and advanced manufacturing.

Some of the recent investment announcements are of real significance as a proof point with respect to the demand that there is out there for Canada and the opportunity we have to make sure the strategy turns into the well-paying jobs and the regional opportunities that it should.

**Mr. Francesco Sorbara:** Thank you.

Kody.

**Mr. Kody Blois:** Thank you, Mr. Sorbara.

Mr. Hannaford, I was in front of a group of young people today talking civics. It was a civics class. I said to them that the most important question in the country right now is how we double our electricity in the next generation in the next 15 to 20 years. Some other folks may disagree with that assertion. There are always a bunch of priorities.

As it relates to our economic competitiveness, we look at Volkswagen and at different groups that are coming, and we talk about that transition to a low-carbon economy. It's all premised on electricity. I've recently seen Premier Legault going to St. John's. We see some of the analytics from different provinces getting to the upper echelon of their electricity capacity. That's traditionally been the domain of the provinces. That's historically how that has come.

Can you speak to this committee about Natural Resources Canada's approach—and whether or not that might be changing—of trying to work collaboratively with the provinces to make sure, on the national front, that we're going to have the electricity needed to drive that transition to a low-carbon economy?

• (1720)

**Mr. John Hannaford:** I think there's no question that the importance of electrification is central to a lot of the opportunities that we have right now, and I would say that's a feature of the regional table conversations that I've mentioned now repeatedly. It's also a feature, I think, of some of the work we're doing more generally. In relatively short order, we will be announcing the electricity council, which is intended as a bit of a clearing house—

**Mr. Kody Blois:** I just want to be mindful of the time.

What about data? Is that something that NRCan has or that we're working on to see what that anticipated demand is going to be? I've just said “double”. That's what I've heard anecdotally. Is that the information you have?

**Mr. John Hannaford:** Certainly that issue of modelling is something that we're very alive to and that we continue to work with colleagues with respect to. Hopefully, one of the benefits of this council that I mentioned is that we can get a little deeper into how we see the future and, therefore, what kinds of projections there would be in order to fill in the plans, but there's no question that there will be an increase in demand for electricity.

**The Chair:** Thank you. That takes us to the end of our third round.

I just wanted to point out the way the supply periods work. The wording I was looking for at the beginning of the meeting was that as Wednesday, March 22, will be the final allotted day in the current supply period, pursuant to Standing Order 81(5) all the votes in the supplementary estimates (C), 2022-23, were deemed reported to the House at the ordinary hour of daily adjournment, Friday, March 10, 2023. It's one of those things, because we never know when the end of the supply period is going to be. When we set this meeting, we didn't know when that was going to be. As I said, we can't report back.

That being said, I should check with officials. We originally extended the invitation to be from 3:30 to 5:30. Because of the votes and the 10 minutes to get here, we have resources until 10 minutes to six, but I don't know if anybody has commitments that they need to leave for. We'll see if Mr. Hannaford has left on his own. I'm assuming that he can perhaps stay if the screen goes blank for the rest of his online officials.

I would also turn the question to my colleagues in the room. If we go into a next round, it would be at least 15 minutes, and the full fourth round would be 25 minutes. We can stop now or we can do an abbreviated fourth round or a full fourth round. We'd have time for that.

What's the will of the committee?

Go ahead, Mr. Angus.

[*Translation*]

**Mr. Charlie Angus:** Pardon me, Mr. Chair.

This evening, there is an event for the Assemblée de la francophonie de l'Ontario, and it's about to start.

Would it be possible to end the meeting?

[*English*]

**The Chair:** Okay.

Is that the will of everybody else?

Mr. Simard.

[*Translation*]

**Mr. Mario Simard:** As the token francophone, I would say that we can take another 15 minutes and go for another round of questions and answers.

[*English*]

**The Chair:** From the Conservatives and Liberals, what's your preference? It's 15 minutes.

Would people be okay with giving Charlie the first two and a half minutes, which would get him out of here? Then we'll carry on with two and a half minutes and then five and five minutes.

**Mr. Charlie Angus:** As long as you promise not to vote on my motion—otherwise, I love you all.

**The Chair:** Let's go to Charlie for two and a half minutes. Then we'll go to Mario in honour of the francophonie. We'll then conclude with five and five.

Mr. Angus, it's over to you for two and a half minutes.

**Mr. Charlie Angus:** Thank you.

I want to follow up on the earlier conversations about the massive expansion in Trans Mountain. It is kind of ridiculous to say that an extra \$10 billion is just what happens with supply chains. It has been said by the Parliamentary Budget Officer that this no longer has a financial case. I know that the government is saying that's not true.

The Canadian Energy Regulator said that the only way they could ship is to limit the toll fees for the companies using it. They would only have to pay 22% of the shipping costs beyond the original \$7.4-billion budget. We're \$20 billion over that \$7.4 billion budget. Have you estimated the subsidy that's going to have to be given to big oil for every single barrel shipped through a \$30-billion pipeline?

• (1725)

**Mr. John Hannaford:** Again, I think a more detailed conversation may be better placed with our colleagues at Finance. I will say that this has been subject to review by outside financial advisers. The advice they have given is that the financial option that's being considered and the asset value continue to be viable.

**Mr. Charlie Angus:** The question is that for every single barrel from here on in, 78% of that is going to be carried by the taxpayer because it isn't viable. It's viable as long as we're giving subsidies to companies that make record profits. At \$30 billion, this looks to me like a big white elephant.

Has the federal government looked at the cost that's going to mean per barrel per taxpayer per year?

**Mr. John Hannaford:** As I said, the government has committed to not increasing any public spending with respect to this. This will be privately financed. We've received advice that is specific to these points.

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

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

[*Translation*]

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

I would like to know your response to what I said earlier about the greener homes program. Waiting times exceed six months, there are no follow-ups and some francophones received responses in English only.

Are you aware of all of these problems?

[English]

**Mr. John Hannaford:** Certainly this has been a very well-subscribed program. We've had a lot of interest. It's important that we engage in the exercises that we are engaging in because the built environment is a great source of emissions. Having the kinds of retrofits that are facilitated through the program is important. There have been some growing pains with respect to it and very significant improvement over the course of time. If there are specific issues, obviously, we're very interested in hearing further on those. We can respond.

[Translation]

**Mr. Mario Simard:** Thank you. We'll send you the information.

In the supplementary estimates, the Department of Natural Resources is transferring \$2,200,000 to Parks Canada for the two billion trees program we've heard so much about.

As you know, you can't plant trees just anywhere; you need to have a plan.

Do you want to replant forests or farmland, or do you want to put up wind barriers? There are countless ways to plant two billion trees.

Does the department have a real plan for planting those two billion trees? Does it know where it wants to plant them? Does it know in what type of soil it wants to plant them? Does it know what types of trees will be planted?

[English]

**Mr. John Hannaford:** The two billion trees objective is to plant two billion trees in 10 years. That is a marathon, not a sprint. We are engaged right now in a series of conversations with jurisdictions across the country to enter into agreements in principle and then ultimately funding agreements. I should mention that those include the provinces but also indigenous communities and other non-governmental entities, all with a view to realizing this goal. That's something we continue to pursue.

[Translation]

**Mr. Mario Simard:** If I understood correctly, at this point you are only at the consultation stage.

Before I conclude, I would like to say that there is a research chair at a university in my riding, and I put them in touch with the department over two years ago, but they never heard back from your department. I'm referring to the Carbone boréal chair. It is comprised of experts in the use of trees to reduce our carbon footprint.

As I see it, it's not normal that your department has never spoken with people who have the relevant expertise.

• (1730)

[English]

**The Chair:** We're unfortunately out of time on that, but you know what? I'll give you a sentence to respond.

**Mr. John Hannaford:** I will absolutely follow up on the details with the person you're referring to if you can give me their...

Thank you.

**The Chair:** Now we're going to Mr. Falk, who will have five minutes.

**Mr. Ted Falk:** I thought you were going to completely reverse the order and put me at the end, but that's fine.

Thank you, Mr. Hannaford and officials, for attending. You heard my previous questions to the minister. It was very similar to what you had three months ago except the numbers are different.

I guess my first question is whether three months ago you really did not realize that there was going to be a \$10-billion increase in the project.

**Mr. John Hannaford:** These are cost estimates. The cost estimates have increased over time, and, as the minister said, those include issues of inflation and supply chain issues. They include some of the terrain that's been operated on and some extreme weather events. Those add up to an increase in the cost estimate at this stage.

**Mr. Ted Falk:** That sounds nice and everything, but the reality is that three months ago the budget had increased by \$8.8 billion to \$21.4 billion. Did we not know that three months later there was another \$10 billion coming?

Your department was very kind to provide this committee with a cost breakdown for the previous increases. Could they do that again for this last \$10 billion?

**Mr. John Hannaford:** We'll certainly follow up with the Department of Finance and see what is possible to provide.

**Mr. Ted Falk:** Ten billion dollars is just a lot of money to me. I'm surprised there aren't more alarm bells going off everywhere when we've incurred a \$10-billion unexpected expense. I know the government is saying, "Don't worry—we'll have a buyer for it." They've made promises before, and I'm not convinced that there will be a buyer. As our previous members here have said, there needs to be an economic viability plan before this.

Further to the minister's comments, I have been involved in banking for 30 years. I do have a good understanding of what valuations are and what income-tested proposals would include. It's not as though I speak from a position of being uninformed.

I have another question. In my province of Manitoba, there's a silica sand project being proposed to extract some of the minerals needed for electric vehicle batteries. Is that something your department would be aware of and involved in?

**Mr. John Hannaford:** I'll turn to my colleague Mr. Labonté.

**Mr. Ted Falk:** I can tell you there's currently an application with the Manitoba Clean Environment Commission. Does the federal government also get involved in that process?

**Mr. Jeff Labonté (Assistant Deputy Minister, Lands and Minerals Sector, Department of Natural Resources):** Which process do you mean?

**Mr. Ted Falk:** It's the approval process.

**Mr. Jeff Labonté:** It depends on the nature of the project.

It's not specific to the one you're referring to, but certainly having dialogue with the Manitoba government on projects and activities around critical minerals and collaborating is something we're doing. It's something we started through the regional tables. Manitoba has identified some areas of specific interest. If you have any information on that project or the specifics of that one, I'd be happy to follow up if that's of interest.

**Mr. Ted Falk:** I'll split my time with Mr. Patzer.

**Mr. Jeremy Patzer:** One issue that sometimes comes up when we talk about just transition stuff is the number of unionized to non-unionized workers in the energy sector. We hear a lot of talk around well-paid unionized jobs and protecting unionized jobs. The reality is that in a lot of these industries only one-tenth of the jobs are actually in the sector or are maybe in a spinoff of the sector.

What are you guys doing to engage and promote the other 90% of the workforce that aren't in unionized jobs and that are going to be directly impacted by this sustainable job transition?

**Mr. John Hannaford:** To date, very broad-based consultations have gone into the development of the plan with respect to next steps.

I'll maybe turn to my colleague Ms. Scharf to talk a little bit about some of the future steps.

**Ms. Debbie Scharf (Assistant Deputy Minister, Energy Systems Sector, Department of Natural Resources):** Thank you.

What I can say is that consultations took place over two years leading into the sustainable jobs plan that was released. We received submissions from over 30,000 Canadians as well as 17 detailed submissions from different groups.

Quite a lot of work went into hearing from not only unionized workers but all Canadians around what was important to them. We've taken that into consideration in terms of how we're looking at our path forward.

• (1735)

**Mr. Jeremy Patzer:** Do you guys have a comparative analysis of the unionized versus non-unionized jobs that are going to be affected by this? Do you have the raw numbers?

**Mr. John Hannaford:** At this stage, as I said, we are still working up with the provinces and broader stakeholder groups what the next stages are here. I'm not sure that we have specific numbers, although it's possible that ESDC will have more specific numbers than we do.

I'll turn it back to Ms. Scharf.

**Ms. Debbie Scharf:** I can't say a whole lot more than what Deputy Hannaford shared.

What I can say, though, is that we're having some discussions with provinces and territories around how we accelerate the economic opportunities moving forward in those regions. We are also talking about what that means for job creation, what types of skills are going to be required and what types of workers we think will be

required to support those industries to help them form the types of policies and actions we have to take going forward.

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

For our last five minutes, I'm going to go to Mr. Blois.

Mr. Blois, the floor is yours.

**Mr. Kody Blois:** Thank you, Mr. Chair.

Mr. Hannaford, we talked about the energy boards in Atlantic Canada as being a vehicle for regulatory certainty. The minister talked about the hope that this spring there could be legislation tabled. Obviously the timeline is also dependent on the provincial government in Nova Scotia. Then there was also talk of a potential date for when bids could actually start being accepted. I think the minister mentioned 2025.

What's that timeline from when the legislation is passed? Is there some upscaling that has to happen in terms of those agencies?

This is a really critical race. How do we make sure we can approve projects as quickly as possible in that global race?

**Mr. John Hannaford:** Yes, we're certainly very mindful of that. I've mentioned the word "opportunities", and I think we do see that there are enormous opportunities in all parts of the country. On the east coast, we're seeing enormous interest in hydrogen production, for instance, onshore right now, but the offshore certainly presents some opportunities as well. That's something we're very mindful of.

I'll turn back to my friend Ms. Scharf on some of the more detailed points.

**Mr. Kody Blois:** Ms. Scharf, I don't have a whole lot of time, but even just 20 or 30 seconds on what that looks like in that gap between the legislation passing and being able to approve bids...?

**Ms. Debbie Scharf:** I think the idea is to bring the modernized legislation in place as well as the corollary regulations that will allow the regime to be in place and, at the same time, to ensure that the boards themselves are growing in their capacity to be able to manage the work they're going to have to do going forward with the new offshore renewables regime.

**Mr. Kody Blois:** What about the Atlantic loop?

We talk about a decarbonized future, and Mr. Patzer is talking about Saskatchewan, but 30% to 40% of Nova Scotia's electricity grid is still carbon-based. This government has a goal of being off coal-fired and coal-based generation by 2030. I appreciate that there is an existing equivalency agreement that had been for 2040.

What's NRCan's role in that dynamic between what would be Intergovernmental Affairs, Finance and working with the different utilities? Just briefly, could you give me a sense of how that's going?

**Mr. John Hannaford:** We're part of the team. There's a very active and detailed process under way within government. I would say that the role we play is partially to provide expertise with respect to the electricity sector, partially to provide expertise with respect to some of the broader regulatory and indigenous relations aspects of the work and generally to support the process as it unfolds.

**Mr. Kody Blois:** Thank you.

I'm the chair of the agriculture committee, so I'm someone who often has conversations in the agriculture committee with stakeholders in that context. More and more, there's a dynamic between ECCC and the policies there and agriculture.

Perhaps I can direct this to Ms. O'Brien, who I think is in the fuels sector. I had a conversation with Irving Oil about the clean fuel regs and some of the dynamics that are at play.

Ms. O'Brien, Irving Oil raised some concerns about their refinery in Saint John and the relation to the clean fuel standard. Can you talk about that dynamic and what relationship you guys share between the two agencies, given that there's both a lens on natural resources and a lens on environment?

That can be for Mr. Hannaford, if I'm getting it wrong.

**Mr. John Hannaford:** No, Erin is fine.

Go ahead, Erin.

**Ms. Erin O'Brien (Assistant Deputy Minister, Fuels Sector, Department of Natural Resources):** Thank you very much for the question.

We are certainly aware of the concerns that Irving Oil has raised with respect to the clean fuel regulations. We've been actively consulting with them. We're also working with colleagues at ECCC who are responsible for developing the regulations. We are working through a possible resolution.

**Mr. Kody Blois:** Okay. I appreciate the fact that it is on the radar of NRCan.

I have about a minute left, Mr. Chair, and the last minute is around wood pellets.

Agriculture and forestry would be the big elements in Kings—Hants. I can appreciate that raising perfectly healthy forests to

make wood pellets is not smart public policy, but some of the offsets of the lumbering process really feed into what I think is a competitive life-cycle analysis.

Maybe this is for you, Mr. Hannaford, or for you, Mr. Hargrove. What can NRCan do to strengthen the wood pellet sector, particularly as we look at energy sources in Europe from Atlantic Canada?

• (1740)

**Mr. John Hannaford:** Certainly, the bioeconomy is very interesting, and there are some real opportunities there, but I will turn to Mr. Hargrove on the more detailed points.

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

One thing I would point to is the work we're doing through the Canadian Council of Forest Ministers. We recently released a renewed national forest bioeconomy strategy.

I know you don't have a lot of time, but I think what's really key is making sure that we are extracting the most value per cubic metre harvested from our forests. That includes a wide range of products moving up the value chain and using what might otherwise be waste materials in the most valuable way possible. I think that range of opportunities certainly includes forest bioenergy and wood pellets.

**The Chair:** That's the end of our time.

I would like to thank Deputy Minister Hannaford and all of the officials. I could go through and name each of you and your departments once again. I'd probably get some names wrong and it would also extend our meeting by another five minutes, but please accept a general thank you with great gratitude to each of you for being here. We really appreciate your being available and, to those who were asked questions, your answering them.

With that, colleagues, we will be back on March 31 for a review of our draft report's recommendations.

Thanks. Have a great evening. The meeting is adjourned.







Published under the authority of the Speaker of  
the House of Commons

---

### SPEAKER'S PERMISSION

---

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

---

### PERMISSION DU PRÉSIDENT

---

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :  
<https://www.noscommunes.ca>