

emissions-reduction-plan-must-invest-more-in-canadas-guiltiest-ghg-heavy-industries

OPINION

Emissions reduction plan must invest more in Canada's guiltiest GHG-heavy industries

By DANIEL KATZ (/AUTHOR/DANIEL-KATZ) JUNE 27, 2022

Investments in the buildings sector, the third-largest source of national emissions, are far below the amount required to adapt Canadian communities to climate change.



The emissions reduction plan, announced by Prime Minister Justin Trudeau in late March, represents the most ambitious environmental strategy that the federal government has produced to-date. *The Hill Times* photograph by Andrew Meade



Daniel Katz is director of research and innovation policy at Digital Defence Canada. *Photograph courtesy of Daniel Katz*

produced to date, providing a comprehensive roadmap for Canada's GHG emission reductions targets. However, the question is: are we investing enough in the largest-emitting sectors to help enterprises and stakeholders carry out the required technological and process transformations to reach 2030 and 2050 net-zero targets?

The ERP proposes measures across 11 economic areas of impact. Oil and gas, electricity, transportation, and buildings are the four areas in which consumers are going to feel the direct hits. These four also represent three-quarters of the target emissions reductions the government hopes to reach through the ERP.

However, climate change is an engineering problem—developing and adopting technologies and processes to mitigate GHG emissions and adapt locally to climate impacts. These require huge amounts of capital investment, and the ERP disregards this.

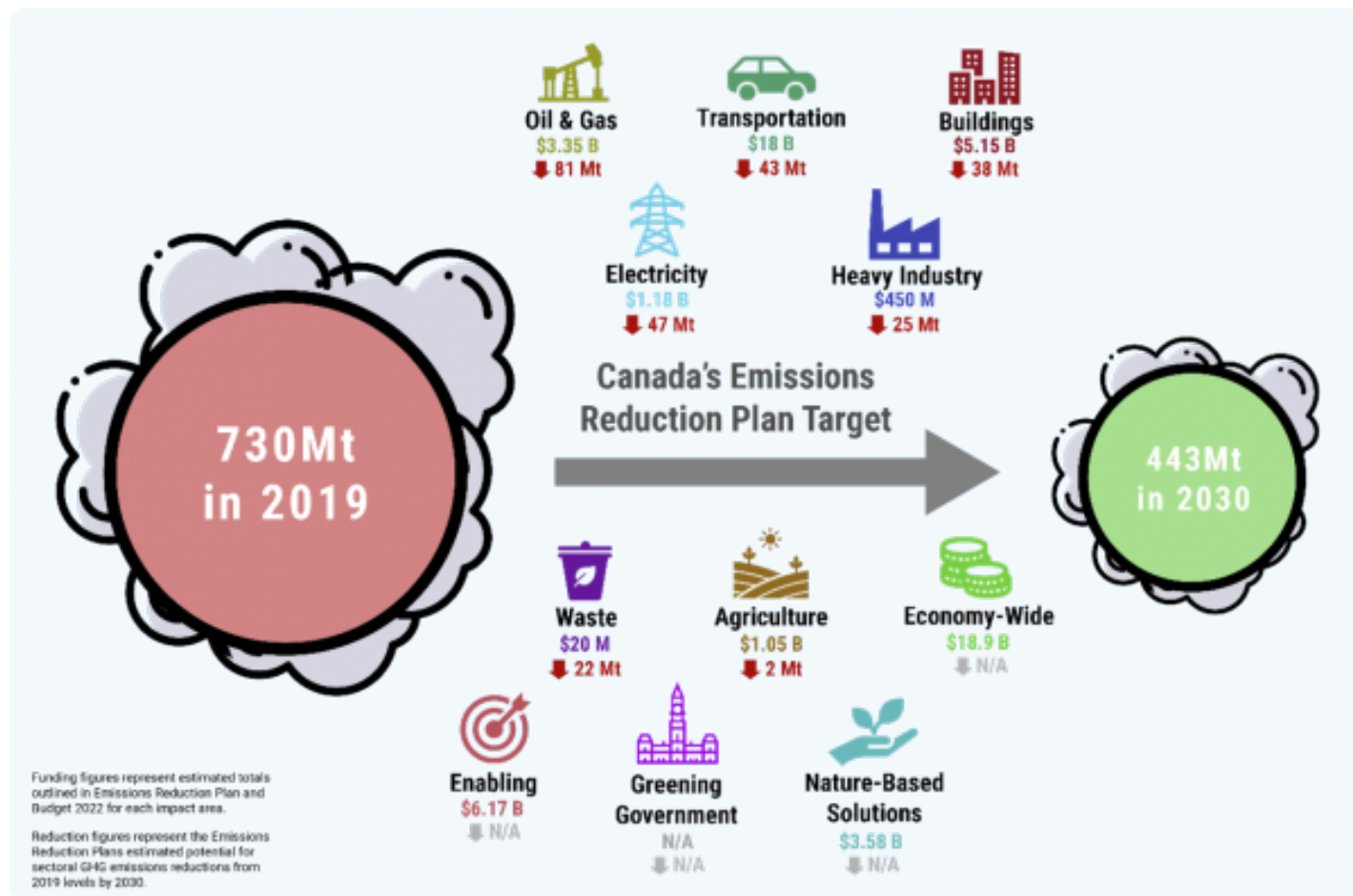


Image courtesy of the Institute for Collaborative Innovation

The Royal Bank of Canada (<https://thoughtleadership.rbc.com/the-2-trillion-transition/>) estimates that costs for Canada to meet net zero comprise:

- \$25-billion per year in the transportation sector;
- \$13.7-billion per year in the oil and gas sector;
- \$5.4-billion per year in buildings and electricity;
- \$4.4-billion per year in heavy industry; and
- \$2.5-billion per year in agriculture.

Upon deeper analysis, the funding outlined in the ERP designated to promote emissions reductions from the oil and gas sector—the largest source of national emissions (<https://www.canada.ca/en/environment-climate-change/services/climate-change/greenhouse-gas-emissions/sources-sinks-executive-summary-2022.html#toc5>)—is approximately \$3.4-billion in new and existing and funding, mostly in the form of a carbon capture, utilization, and storage (CCUS) tax credit (<https://budget.gc.ca/2022/report-rapport/chap3-en.html#2022-4>).

Furthermore, investments in the buildings sector, the third-largest source of national emissions, are far below the amount required to adapt Canadian communities to climate change. The Canadian Institute for Climate Choices (<https://climatechoices.ca/wp->

content/uploads/2021/09/Infrastructure-English-FINAL-jan17-2022.pdf) estimates inland and coastal flooding will lead to billions in annual costs to properties by the end of the century.

By contrast, the plan mentions measures totaling approximately \$18-billion in new and existing funding for the transportation sector, Canada's second-largest source of national emissions. This includes Infrastructure Canada's public transit funding and \$1.7-billion over five years proposed in the 2022 federal budget (<https://budget.gc.ca/2022/report-rapport/toc-tdm-en.html>) towards broadening the eligibility for zero-emission vehicles purchase incentives.

Finally, heavy industry, agriculture, and electricity combined are responsible for nearly 30 per cent of national emissions in 2020, yet are to receive a total of \$2.7-billion in new and existing funding through measures indicated in the ERP.

The sum of the ERP's investments is a pittance according to RBC's estimates. In totality, to reach net-zero by 2050, it is projected that Canada must spend \$2-trillion over the next three decades. However, Canada is not ready to meet this target, and Canadians may not be prepared to forego other priorities—such as having an affordable quality of life—to meet it.

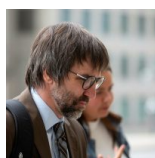
If Canada has any hope of reaching national net-zero targets, governments must prioritize the required investments to allow the private sector to develop, commercialize, and deploy net-zero technologies across the entire value chain of every sector of the Canadian economy. Concrete policy design and governance models are also important, but the amount of cross-departmental and cross-sectoral collaboration and investment required to reach 2030 and 2050 emissions objectives is massive. The amount of new and existing funding outlined in the ERP falls well short of what is needed to advance Canada's net-zero transition.

Daniel Katz is the director of research and innovation policy at Institute for Collaborative Innovation (<https://icicanada.org/>), an Ottawa-based innovation-focused strategy non-profit organization. He has a background in journalism and communications.

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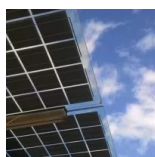
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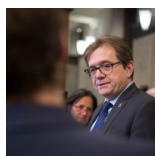
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Federal regulations, innovative financing can help all buildings reach net-zero
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(<https://www.hilltimes.com/2022/06/27/afn-losing-credibility-after-controversial-suspension-of-its-national-chief-say-indigenous-advocates/368870>) Assembly of First Nations National Chief RoseAnne Archibald says she is being targeted by the AFN's executive for her efforts to bring accountability and transparency to the organization, and is now rallying support.

Coalition warns of 'death knell' to cryptocurrency industry under proposed tax law changes (https://www.hilltimes.com/2022/06/27/coalition-warns-of-death-knell-to-cryptocurrency-industry-under-proposed-tax-law-changes/367740)

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(<https://www.hilltimes.com/2022/06/27/coalition-warns-of-death-knell-to-cryptocurrency-industry-under-proposed-tax-law-changes/367740>) Proposed changes to the Excise Tax Act could shut cryptocurrency companies out of an GST/HST input tax credit that benefits the traditional mining sector.

Win or lose, Poilievre may already represent 'heart and soul' of Conservative caucus (https://www.hilltimes.com/2022/06/27/win-or-lose-poilievre-may-already-represent-heart-and-soul-of-conservative-caucus/368863)

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(<https://www.hilltimes.com/2022/06/27/win-or-lose-poilievre-may-already-represent-heart-and-soul-of-conservative-caucus/368863>) Even if Pierre Poilievre doesn't win, Conservative pundits and political analysts believe that whoever does will have to accommodate Poilievre. But if he does win, he'll need to reach out to his Quebec and Atlantic caucus.

'Never been afraid to punch above our weight': set to retire this fall, Peter Van Dusen reflects on 21 years at CPAC (https://www.hilltimes.com/2022/06/27/never-been-afraid-to-punch-above-our-weight-set-to-)

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(<https://www.hilltimes.com/2022/06/27/never-been-afraid-to-punch-above-our-weight-set-to-retire-this-fall-peter-van-dusen-reflects-on-21-years-at-cpac/368689>)When Peter Van Dusen was first hired by CPAC more than 20 years ago, it pretty much covered the House proceedings, but he turned it around. Today, it covers news, leadership conventions, and election campaigns.

Parliament Hill braces for Canada Day protest as MPs face threats (https://www.hilltimes.com/2022-hill-braces-for-canada-day-protest-as-mps-face-threats/368996)

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(<https://www.hilltimes.com/2022/06/24/parliament-hill-braces-for-canada-day-protest-as-mps-face-threats/368996>)House Sgt.-at-Arms Pat McDonnell told the House Affairs Committee last week that staff and MPs were harassed on a daily basis during the Freedom Convoy's occupation of downtown Ottawa in February.

Government should be 'pretty pleased' with first session of Parliament, but summer will be 'the calm before the storm,' say observers (https://www.hilltimes.com/2022/06-should-be-pretty-pleased-with-first-session-of-parliament-but-summer-will-be-the-calm-before-the-storm-say-observers/368921)

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(<https://www.hilltimes.com/2022/06/23/government-should-be-pretty-pleased-with-first-session-of-parliament-but-summer-will-be-the-calm-before-the-storm-say-observers/368921>)Pundits continue to be split on how much of a role the government should play when it comes to easing the burden of 'red-hot inflation' in the coming months.

Rule change lets MPs charge House up to \$36,000 annually for constituency rentals amid office budget pressures (https://www.hilltimes.com/2022/06-change-lets-mps-charge-house-up-to-36000-annually-for-constituency-rentals-amid-office-budget-pressures/369030)

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constituency-rentals-amid-office-budget-pressures/369030)Plus, the Board approved a 10 per cent increase to the Travel Status Expenses Account to help offset the rise in MP secondary residence rental costs in the National Capital Region.

New staffers on board for ministers Fraser, Petitpas Taylor
<https://www.hilltimes.com/2022/06/23/new-staffers-on-board-for-ministers-fraser-petitpas-taylor/368813>

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(<https://www.hilltimes.com/2022/06/23/new-staffers-on-board-for-ministers-fraser-petitpas-taylor/368813>)Among others, Cib Cabillan is now issues manager to Immigration Minister Sean Fraser, and Audrey Léveseque Aubut has joined Official Languages Minister Ginette Petitpas Taylor's parliamentary affairs team.

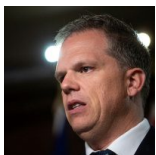
Charest's route to Conservative leader 'very similar to the party's path to victory,' says Kheiriddin
<https://www.hilltimes.com/2022/06/22/charests-route-to-conservative-leader-very-similar-to-the-partys-path-to-victory-says-kheiriddin/368649>

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(<https://www.hilltimes.com/2022/06/22/charests-route-to-conservative-leader-very-similar-to-the-partys-path-to-victory-says-kheiriddin/368649>)Strategists and pollsters say the Conservative Party membership is divided into 'two different audiences,' meaning persuasion will be difficult and campaigns should focus on bringing out their own vote.

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