Chapter 14: Assessing Ottawa's Paths to Net-Zero through an Energy Sustainability Lens

Key Messages

Perspectives

- Many argue that energy system transitions in the direction of net-zero need to advance wider sustainability goals, such as reconciliation with Canada's Indigenous peoples
- The Trudeau government has adopted a broadly 'ecological modernist' discursive framing around its approach to decarbonizing the Canadian economy, emphasizing the potential to advance both environmental sustainability and economic prosperity. This perspective implies a restructuring of capitalist economic structures along more environmentally sound lines, but not in a way that requires a different kind of political and economic system

Processes

- Critical to choosing among different energy transition pathways to achieving net-zero is identifying the impacts of different choices in terms of potential trade-offs among sustainability goals, as a particular approach may advance some goals but can result in serious losses in other areas
- There are no consistent governance processes or frameworks in place to assess key trade-offs and risks associated with net-zero options, with the result that key trade-offs have not been recognized or fully acknowledged by the government itself
- The lack of any consistent governance or evaluative framework to guide decision-making has left decision processes vulnerable to influence by well-established incumbent actors in the fossil fuel, mining and nuclear sectors, backed by sympathetic provincial governments
- The 2019 *Impact Assessment Act* was specifically intended to establish a framework for decision-making in these types of situations. The decision not to apply it to "clean growth" projects is troubling in this context, and invites even deeper questions about what processes and norms the federal government is following in its decision-making.

Policies

- The 2020 Healthy Environment, Healthy Economy plan remains the foundation of the federal government's climate strategy, with substantial follow-through on the plan seen in the 2021, 2022, and 2023 budgets.
- Some elements of the federal strategy show strong potential to advance energy sustainability with relatively low risks of adverse impacts or negative trade offs. These elements include carbon pricing; building energy efficiency improvements; waste management decarbonization; nature-based responses; and the electrification of transportation.
- Other elements of the federal strategy present more complex challenges and trade-off risks, including some hydrogen-based strategies; the focus on nuclear energy and SMRs around 'clean' electricity; and emphases on CCUS and "critical" minerals.

Recommendations

- A more consistent and transparent approach to decision-making around net-zero pathways is required to assess what really are 'clean' and rational investments.
- Projects that involve high risks of serious negative trade-offs in an energy sustainability context need to be subject to meaningful and substantive independent public review before they proceed.

Evaluation and accountability mechanisms are needed to ensure that resources are reallocated towards measures that will deliver real reductions if CCUS, hydrogen and other high-risk 'clean' investments fail to show significant results.