Trudeau Liberals’ energy plan risks chaos, high cost

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With last week’s release of draft Clean Electricity Regulations (CER), Steven Guilbeault, minister of environment and climate change, supported by Jonathan Wilkinson, minister of energy and natural resources, set a policy table groaning with threats and only a few inducements. They specifically decreed that no new unabated natural gas facilities should be commissioned after 2025, i.e. without carbon capture, utilization and storage (CCUS), which will make the transition exceptionally difficult. The regulations reflect a government willing to fracture national unity, violate the constitutional division of powers, damage the economy and increase the cost of living of the public it was elected to serve.

Battle lines are drawn for another political and constitutional crisis over energy. Saskatchewan and Alberta label federal policies an infringement of provincial jurisdiction and are prepared to go to court. Others may join in.

The feds claim shared jurisdiction over environmental regulation and insist that non-compliance with the new regulations be punishable by fines up to $12 million and jail time up to three years. The threat of criminality demonstrates how far this government is prepared to go in tearing the country apart to avert a questionable global emergency that Canada can do almost nothing about.

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“Powering Canada Forward,” a generally informative Natural Resources Canada memorandum released a couple of days before the regulations, occasionally dispenses with dispassionate analysis. Witness this beauty: “Volkswagen picked Canada over the United States because of our ‘high’ standards for environmental, social, and corporate governance.” Nary a mention of the $13 billion in government grants.

The two militant ministers would have us believe, as their backgrounder states, that “Climate scientists are unequivocally telling us that we must drastically reduce our emissions by 2030 and achieve net-zero by 2050 if we are to leave a habitable world to our children.” Wake-up call to true believers: Hundreds of prominent scientists deny — yes, deny — that a climate emergency exists, including most recently John F. Clauser, winner of the 2022 Nobel Prize in Physics. President Barack Obama’s undersecretary of energy for science, Steve Koonin, showed in his 2021 book that complex climate science is in fact, as its title says, Unsettled.

In a refreshing demonstration of common sense, Jim Skea, the new chair of the revered (by environmentalists) United Nations Intergovernmental Panel on Climate Change (IPCC), recently told Der Spiegel that we should not “despair and fall into a state of shock ... The world won’t end if it warms by more than 1.5 degrees.” He does not want people to give up on emissions reduction just
because none of the world’s biggest emitters, including the G20, have met their Paris Agreement pledges. He also sensibly counsels that no scientist should tell people how to live or what to eat. Yet here in the peaceable kingdom, battle lines are drawn for another political and constitutional crisis over energy. Saskatchewan and Alberta label federal policies an infringement of provincial jurisdiction and are prepared to go to court. Others may join in. The feds claim shared jurisdiction over environmental regulation and insist that non-compliance with the new regulations be punishable by fines up to $12 million and jail time up to three years. The threat of criminality demonstrates how far this government is prepared to go in tearing the country apart to avert a questionable global emergency that Canada can do almost nothing about and which can be addressed by significantly less costly mitigation measures and targeted R&D.

**In the United Kingdom and other Western European countries, voters are pressuring politicians to abandon damaging green policies or face political defeat.** Last year, the European Parliament labelled natural gas clean energy because it has the capacity to back up renewables and thereby preclude blackouts and uncompetitive energy costs that lead to deindustrialization of the sort underway in Germany. America’s green policies could also radically change, depending on the results of next year’s presidential and congressional elections. Meanwhile, China and other big polluters in the developing world are hell-bent on building new coal plants, while they watch the West’s self-harm with bemusement.

Canada’s provincial electricity grids already draw more than 80 per cent of their power from renewable and non-emitting sources. But there are significant differences in the sources of electric power across the country, which the new rules do not take into account. Alberta, Saskatchewan and Nova Scotia depend heavily on fossil fuels and will have great difficulty complying. As for Ontario, its grid relies mainly on nuclear and hydro and thus generates only two per cent of provincial emissions. It would be much less disruptive to find greenhouse-gas reductions in other sectors, such as industry and transportation.

Ontario’s Independent Electricity System Operator (IESO), which manages the provincial grid and whose board I chaired until recently, last December published an aspirational Pathways to Decarbonization report. But a net-zero strategy is exposed to two overriding risks, one technical, the other political. First, it assumes innovations in hydrogen energy and battery storage, needed to back up intermittent wind and solar, will provide adequate power in the future. Second, personal and corporate ratepayers may eventually push back against ever higher utility bills and pressure the provincial government to stop obeying federal diktats. Both these risks apply to other provinces, as well, which puts the feds’ national net-zero project in serious jeopardy. That is a significant problem since the Canada Energy Regulator estimates demand for electricity production will more than double by 2050.

**The need for electricity to power Canada’s economic growth into the middle of this century is urgent, so performance art and ideological obsessions are dangerous distractions. The Clean Energy Regulations should be scrapped.**