

OPEN LETTER

OUR GOVERNMENTS MUST ACT NOW to decarbonize and expand the electricity system, or Canada will fail to reach net-zero by 2050

On Oct. 21, 2022, this open letter was sent to the Canadian Prime Minister and all provincial and territorial premiers by 25 organizations representing a diverse range of interests across Canada.

Dear Prime Minister and provincial and territorial premiers:

This letter is a call to action. Our 25 organizations, representing a diverse range of interests, are writing to express our serious concern that Canada is not acting with the urgency required to build the foundation required to meet our climate-change commitments — a decarbonized and much expanded electricity system.

Canada has made commitments to a net-zero electricity grid by 2035, 100 per cent zero emission light-duty vehicle sales by 2035 and net-zero greenhouse-gas emissions across the economy by 2050. This means we have only 28 years to decarbonize and then double the size of our electricity system to support greenhouse gas emission reductions in transportation, buildings and heavy industry. We also must better integrate electricity with energy systems across the economy, while maintaining affordability and reliability.

To successfully compete and prosper in the global net-zero economy, Canada must prioritize the transformation of our electricity system. The new U.S. Inflation Reduction Act provides one recent illustration of how other countries are now investing significantly in their electricity systems to support the transition to a net-zero world. These investments are driven by both economics and the environment.

Economically, countries are positioning themselves to produce and export the low-carbon technologies that will dominate global markets going forward. Increased use of electricity throughout the economy can also ultimately lower total energy costs for consumers — provided we act now to plan and implement the changes required in our electricity system.

At the same time, Canadians are already experiencing significant economic, environmental and social impacts from a changing climate. These impacts are poised to become much more devastating in the years ahead — even more so if we fail to reach net-zero by 2050.

While we appreciate that some of your governments have taken important and positive initial actions targeted at transforming the electricity sector, others are earlier in the process of meaningfully engaging this challenge. There is much more to be done. Canada will not succeed unless all governments make this a priority and work

together on it. More concerted action will be required from all your governments if Canada is to move at the speed and scale needed to build the electricity system that will underpin Canada's net-zero economy.

We call upon your governments to act swiftly on the following four priorities:

1. Develop comprehensive and integrated strategies to rapidly build the key elements of the decarbonized and expanded electricity system that will support the net-zero economy:

- Dramatically improve energy efficiency in all sectors.
- Pursue market and regulatory reform to enable deployment of energy storage, disruptive smart grid technologies and distributed energy resources.
- Competitively procure non-emitting electricity generation.
- Increase the efficiency and speed, without diminishing the effectiveness, of permitting and approval processes.
- Empower more corporations/consumers to purchase non-emitting energy.
- Build out new transmission infrastructure.
- Facilitate electrification of the economy.

2. Significantly increase interjurisdictional collaboration and co-operation in the design and delivery of these strategies:

- All governments (federal, provincial, municipal, Indigenous) must commit to, and contribute to, Canada's 2035 and 2050 net-zero objectives.
- Pursue increased interjurisdictional alignment on energy planning and provide clarity on roles and responsibilities in support of net-zero objectives to enable deployment of complementary and synergistic policies.
- The federal government must establish foundational policies, enable increased interjurisdictional dialogue and collaborative action and provide funding support for capacity building and deployment of new electricity system infrastructure.
- All governments, but particularly provincial and territorial governments, must take steps to modernize the market rules and regulatory frameworks that govern the electricity sector to prioritize climate considerations, encourage innovation and facilitate the accelerated deployment of electricity sector investments.

3. Ensure that these strategies work to provide benefits to all Canadians:

- The transformation of our electricity system will create significant new job opportunities for Canadians. We must plan today to develop the workforce of tomorrow.
- These efforts should support equity, diversity and inclusion, providing jobs and economic development opportunities for Indigenous communities, marginalized communities and communities where a reduction in demand for fossil fuels will cause significant economic dislocation.
- Recognition of the rights, land claims and treaties with First Nations, Métis and Inuit communities is integral to the process of national reconciliation, as is congruency with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). Direct and substantive Indigenous participation and leadership in the evolution of Canada's electricity sector is just, equitable and a true reflection of sustainability.

4. Dramatically strengthen the focus and intensity of your efforts to design and implement such strategies — starting now:

- Investments in the electricity sector often take many years to come to fruition. Such investments are also long-lived — decisions taken today in the electricity sector will have implications for decades to come.
- It is essential that all planning and actions pursued in the electricity sector today consider and support Canada's net-zero targets for 2035 and 2050.

Canada is starting from a position of strength — our electricity system is already 80 per cent non-emitting, and we have massive, untapped renewable energy resources that represent an important part of a broader suite of low- or no-carbon electricity-generating solutions.

But net-zero won't just happen. Your governments must act now. You must provide the long-term policy clarity and certainty required for Canada to mobilize investment. This will empower the electricity sector to do its crucial part to support Canada's 2035 and 2050 objectives.

There is much to do and there is no time to waste. Further delay will only add cost to consumers and increase the risk that we will miss our targets. Canadians are counting on you to build the foundation needed to secure their future in the face of the challenges posed by climate change.

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