

Minister
of Natural Resources



Ministre
des Ressources naturelles

Ottawa, Canada K1A 0E4

December 16, 2021

Cassie Doyle
Canada Energy Regulator
cassie.doyle@cer-rec.gc.ca

Dear Cassie Doyle:

I would like to thank the Canada Energy Regulator (CER) for its report, *Canada's Energy Future 2021: Energy Supply and Demand Projections to 2050*. This report contributes to the ongoing dialogue of future energy use and climate policy in Canada, and adds to an important and growing body of knowledge on energy transformation that will help inform decisions as the government works toward achieving net-zero emissions by 2050.

The climate crisis poses an enormous threat to long-term sustainability, global security and economic wellbeing in Canada and around the globe. Canada, alongside others in the international community, must rapidly reduce carbon emissions and fight climate change. However, confronting climate change in thoughtful ways also offers the potential for significant economic opportunities for businesses, communities and workers in Canada and around the world. The Government of Canada remains committed to ambitious climate action at home and abroad, and is working with international partners to build a sustainable, prosperous and inclusive future for all.

Canada has one of the world's most detailed and concrete plans to help us meet our ambitious climate targets of reducing emissions by 40–45 percent below 2005 levels by 2030 and achieving net-zero emissions by 2050. Canada is also a climate leader internationally: we were the first country in the world to commit to reducing methane emissions from the oil and gas sector by at least 75 percent, as called for by the International Energy Agency. Similarly, we are the first major oil and gas-producing country to commit to capping emissions from the sector and ensure they decline at the pace and scale in line with achieving net-zero emissions by 2050 and maintaining 1.5°C of warming, as committed to under the *Paris Agreement*. At the same time, we are investing in renewable energy, smart-grid technology, clean fuels, and clean technologies like carbon capture, utilization, and storage.

As we continue to make historic investments in clean energy throughout the country, we know that more needs to be done in order to reach net-zero emissions by 2050. This includes ensuring we provide Canadians with information they need to better understand the energy we currently produce and consume, the impact of evolving energy policies, and what our energy future and energy transition could look like. In this regard, the CER plays a pivotal role.

Canada

I was pleased to see that this year's Energy Futures Report introduced scenarios that explore net-zero pathways for Canada's electricity sector; helping both Canadians and policy makers see what a net-zero world looks like helps us visualize the goal and act accordingly. That is why I am requesting, as the Minister responsible for the CER, that your organization undertake scenario analysis consistent with Canada achieving net-zero emissions by 2050 as soon as possible. This includes fully modelled scenarios of supply and demand of all energy commodities in Canada, including clean fuels, electricity, and oil and gas. The modelling should reflect a global context in which the world achieves its Paris Accord goal of limiting warming to 1.5°C, and should consider relevant uncertainties, including future trends in low-carbon technology and energy markets.

I appreciate that consultation and collaboration are key to the work that you do already. This continued collaboration will be necessary as you consider ways to expand your modelling for the whole energy system, to ensure a whole-of-government approach.

The CER's work in informing the dialogue on the pathways to net-zero by 2050 is needed now more than ever. I have full confidence that the CER's work will be an important reference for all of us as we work together toward our climate goals.

Thank you for your assistance in reviewing this important matter.

Yours sincerely,

Original signed by Jonathan Wilkinson

The Honourable Jonathan Wilkinson, P.C., M.P.
(he/him/il)

cc.: Gitane De Silva
Canada Energy Regulator
gitane.desilva@cer-rec.gc.ca