

**Committee on Natural Resources (RNNR)**  
**Creating a Fair and Equitable Canadian Energy Transformation**

Wednesday, June 1, 2022 TBC  
3:30 p.m. to 4:30 p.m.

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## A. COMMITTEE MOTION

RNNR met on March 21, 2022 and agreed on the following motion:

*That, pursuant to Standing Order 108(2), the committee devote up to twelve meetings to undertake a study of **the conditions required to ensure an effective plan (just transition) for all Canadians in transforming to a low-carbon future**, including, but not limited to, an examination of; the definition of the term “just transition”; a preliminary estimate of the impacts of a Paris aligned climate plan on jobs, both direct and indirect; the principles that should guide a “just transition”; concrete, people-centered “just transition” actions that puts workers and communities at the centre of government policy and decision making process on climate change initiatives; the role and mechanisms for the federal government to adequately fund just transition plans across the country; the federal government’s commitment to economic transformation in impacted Indigenous communities; similar historic and social transformations that have occurred both domestically and internationally; and, the current state of the clean tech industry and their role in shaping the anticipated energy transformation; and any other matters deemed necessary by the committee, that experts and stakeholders be invited to appear, including, but not limited to, those that represent organized Labour, Indigenous leadership, municipal representatives from affected regions, and, those with knowledge of the current and future clean tech industry in Canada, and that; that the Minister of Natural Resources and officials, the Minister of Labour and officials, be invited to appear; and that the committee report its findings to the House prior to June 17, 2022.*

## **B. OPENING REMARKS**

**Date:** June 1, 2022

### **Speaking notes for the Honourable Jonathan Wilkinson, Canada's Minister of Natural Resources, for an appearance before the Standing Committee on Natural Resources on their study titled "Creating a Fair and Equitable Canadian Energy Transformation"**

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Good afternoon. I am joining you from North Vancouver, on the traditional and ancestral territories of the Tsleil-waututh, Squamish, and Musqueam peoples.

In the aftermath of President Putin's illegal and brutal invasion of Ukraine, issues relating to energy affordability and energy security are now very much at the forefront of international affairs.

There are those who, on one hand, would suggest that given the urgency of the energy security issue, we must set aside concerns and actions relating to climate change.

Concurrently, others believe that any move to increase production of fossil fuels – even if to aid our European friends at a time of crisis - should not be pursued given concerns about climate impacts.

Neither of these extremes represents thoughtful nor tenable positions.

As I said when I was in Washington, DC twice recently and again in Berlin for G7, Canada must and will be there to do what we can to assist our friends and allies in Europe and around the world. And we must continue to aggressively address carbon emissions and I grow our economy in a way that is compatible with a net-zero future.

This economic growth will involve some changes. That is why the Paris Agreement calls on countries to ensure a just transition within their borders.

We are fully committed to ensuring a just transition through the creation of sustainable jobs in every part of Canada.

For our country to remain prosperous, we must ensure that we are acting now to fully seize the economic opportunities associated with a low carbon future. This is why we are consulting with unions, industry, provinces and territories. This will enable us to clearly identify the skills that our labor force will need to thrive in the economy of the future.

But we are not only working for the future, we have already put in place many programs to support workers and communities who can expect to be affected by this transition - Minister O'Regan will speak more to that in a moment.

My message to you is that, in order to plan and implement a transition, we must first determine what it is that we are transitioning to.

As I have told many in this room before, the global economy is changing rapidly. It is changing, in large part, because the science of climate change is telling us that it must.

Around the world, financial markets are increasingly pricing climate risk into investment decisions. Smart money is flowing away from assets that are not compatible with a transition to a net-zero world, and towards opportunities that are.

Just as any successful business must be capable of interpreting and reacting to changes in the business environment, countries - to sustain and enhance their level of prosperity - must also be capable of thoughtful response and action.

It is in this context that Canada can choose to be a leader in this global economic change - or we can let it happen to us - with all the consequences of being a laggard.

By choosing to lead, we are ensuring that our workers and businesses take advantage of market opportunities that will be worth trillions of dollars.

This morning when I addressed the Vancouver Board of Trade, I announced the first phase of the Regional Energy and Resource Tables, where our government is convening provinces and territories, Indigenous peoples, and other stakeholders - such as workers - to collaborate on accelerating economic activity in line with our net zero future.

We will begin this engagement with British Columbia, Manitoba, and Newfoundland and Labrador, and then engage the rest of the country.

The Regional Energy and Resource Tables will align priorities, funding and financing opportunities, as well as policy and regulatory approaches. By delivering collaborative strategies in every region of the country, we will leverage our comparative advantages to ensure that Canada becomes a global leader in the energy transition.

By working together, we can ensure a just transition through the creation of sustainable jobs in every region of this country.

Thank you.

Opening Remarks

for

The Minister of Labour,  
Seamus O'Regan Jr.,

for

an appearance before the Standing Committee  
on Natural Resources (RNNR)  
Focus: Just Transition

House of Commons

June 1, 2022

*Check against delivery*

**Good afternoon, Mr. President, members of the committee**

**I speak to you from my riding of St. John's, on the island of Newfoundland, which is the traditional territory of the Beothuk.**

**Thank you for inviting me here today to discuss my work in the just transition to a low carbon economy.**

**An important part of this work is ensuring that Canada's workers have what they need to succeed.**

**Over the past two years, we have invested considerable funds in training employees and in our companies to prepare them to create these sustainable jobs.**

**This includes more than \$1 billion in workforce training and support for workers, especially in sectors in transition. As we highlighted in Budget 2022 and the Emissions Reduction Plan, this is a big step forward.**

**In the coming year, the government proposes to invest \$2.5 million to launch a union-led consultative table. It will provide advice on priority investments that will help workers cope with**



**changes in the labor market, particularly those working in jobs or working in at-risk sectors.**

**The term Just Transition can evoke strong emotions for some workers, especially those in the energy sector who may have had families in the oil field for generations. For some workers, these jobs are all they've known. And to get this right, we have to recognize that "just transition" isn't just about making sure no one is left behind - its about acknowledging the role that workers will play in leading our energy transition.**

**While we are in the consultation process, the feedback we receive will inform our decisions on what action to take for the climate. We will also ensure that marginalized groups such as racialized Canadians, women and youth have access to new jobs and opportunities.**

**Worker, union, employer and community councils will guide our work, as will the meetings we have had with stakeholders, provinces, territories and Indigenous groups.**

**Our goal is to make sure we're doing it right for the workers who will be critical to Canada's success in this area. They are at the heart of this project. We cannot ignore them, and Mr. President, we will not.**

**In order to help Canadians meet the changing needs of industry and transition to a low-carbon economy, Employment and Social Development Canada has recently completed a Call for Proposals for the new Sectoral Workforce Solutions Program.**

**The program will help workers train and develop. Employers and in particular small and medium-sized enterprises will be able to attract and retain a qualified workforce.**

**A significant part of this funding will be invested in projects that focus on training people for the jobs that we will need to build up renewables and use new technology to reduce emissions. It will support workforce development needs in sectors that are involved in protecting the environment, oceanic or aquatic ecosystems, and sectors involved in managing natural resources and/or contributing to the low-carbon economy. This is all part of Canada's Climate Action Plan and Just Transition.**

**We're also looking at regional tools and opportunities that will help support the transition to a low-carbon future.**

**Here in Newfoundland and Labrador, new market opportunities are being pursued for offshore renewables, and**

**clean fuels. This oil-producing province is building its workforce and energy systems to capitalize on emerging opportunities that will support a low-carbon economy.**

**We'll continue to support provinces and territories as they create jobs and drive economic growth across the country.**

**The point is that a low-carbon economy is both a necessity and an extraordinary opportunity for long-term prosperity– but without workers, there is no transition. In fact, they will lead it.**

**OK, I think I'll leave it there, I now look forward to questions.**

## C. KEY MESSAGES ON JUST TRANSITION

- Our work on just transition is underpinned by a firm belief that we can't achieve climate action and the transition to a low-carbon economy without putting people – Canadian workers and industries - first, ensuring no individual or region can be left behind as we move to net zero.
- Canada cannot reach net-zero emissions by 2050 without the participation, know-how and innovative ideas of all Canadians.
- That is why we are empowering workers and communities through the transition, by addressing the immediate challenges of jobs and economic growth in ways that will establish the foundation for long-term economic, social and environmental sustainability.
- We need to ensure that the transition to a sustainable economy presents opportunities not just for a select few, but for workers in every region of our country.
  - Which is why we are developing and executing regional strategies that seek to diversify the economic activities in each region and sector that will be impacted by the transition.
- We are also delivering on a just transition by:
  - supporting workers and communities impacted by the phase-out of coal;
  - creating jobs in all regions of the country that support climate action; advancing skills and training initiatives, and identifying workforce trends, to allow workers and communities to thrive in a net-zero world; and
  - consulting with Canadians on a just transition, to inform federal legislation.
- In July 2021, Canada launched public consultations to develop just transition legislation to support workers and communities in the transition to a low-carbon future.
- Extensive consultations are recommended in the International Labour Organization's Guiding Principles for a Just Transition – comprehensive social dialogue is a key part of getting to the right solutions for Canadian workers.

## D. JUST TRANSITION LEGISLATION AND CONSULTATIONS

June 2022

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### ISSUE

The Government of Canada has committed to move forward with legislation and comprehensive action to achieve a just transition. NRCan is currently leading a consultation process to inform the development of legislation.

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### KEY MESSAGES

- Economic opportunity is at the heart of the Government's climate ambition, and how Canada seizes this opportunity will shape our future jobs, communities and prosperity.
- Just transition means taking a people-first, inclusive approach to our net-zero future.
- It is about building on the knowledge and innovation of Canadians who have helped our economy prosper so far to define our net-zero future.
- And it is about taking steps to prepare our students, our workforce, our companies and communities to take advantage of a more diverse and green economy.
- This is why in July 2021 we launched a consultation process to inform the development of legislation.

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### QUESTIONS AND ANSWERS

#### Q1: What principles are needed for legislation?

- The core principle is taking a people-first, inclusive approach to the transition to our net-zero future.
- This and other principles will be informed by feedback from partners and stakeholders.
- For example, the draft principles in our discussion paper were informed by the International Labour Organisation's Guiding Principles. They include:
  - Adequate, informed and ongoing dialogue on a people-centred, just transition should engage all relevant stakeholders to build strong social consensus on the goal and pathways to net-zero.

- Policies and programs in support of a people-centred, just transition must create decent, fair and high-value work designed in line with regional circumstances and recognizing the differing needs, strengths and potential of communities and workers.
- The just transition must be inclusive by design, addressing barriers and creating opportunities for groups including gender, persons with disabilities, Indigenous Peoples, Black and other racialized individuals, LGBTQ2S+ and other marginalized people.
- International cooperation should be fostered to ensure people-centred approaches to the net-zero future are advancing for all people.

## Q2: Why is legislation needed?

- We are committed to achieving net-zero emissions by 2050 in a way that is people-centred.
- Just transition legislation would put in place a framework to help prepare Canada's workers and communities to take full advantage of the transition to a net-zero future.

## Q3: How will the legislation define "just transition"?

- Just transition is about ensuring an equitable and prosperous future for workers and communities as the world transitions to a net-zero economy.
- This means:
  - supporting workers in taking advantage of new job opportunities;
  - helping equity deserving groups benefit from the jobs and opportunities the transition provides; and
  - minimizing the impact of the transition on workers and communities.
- How the term is used in legislation will be informed by feedback from partners and stakeholders, as well as international best practices.

#### Q4: What will the legislation do?

- We are currently consulting partners and stakeholders on legislation that could:
  - include people-centred just transition principles that put workers and communities at the centre of the Government's policy and decision-making processes on climate change action; and
  - establish an external Just Transition Advisory Body to provide the government with advice on just transition strategies that support workers and communities.
- These are just a starting point and will be refined based on feedback from partners and stakeholders.

#### Q5: How were the proposed principles developed?

- The proposed principles were informed by the International Labour Organisation's Guiding Principles for a Just Transition.
- They will be refined based on what we hear through consultations.

#### Q6: Why is NRCan proposing the creation of a Just Transition Advisory Body?

- A Just Transition Advisory Body could provide the Government with ongoing advice on how best to support workers and communities in the transition.
- It would bring together a broad range of expertise on skills and learning, employment, labour and others, and would have a consultative role – keeping the social dialogue on just transition going.
- The role and membership of the Advisory Body will be refined based on feedback from partners and stakeholders.

*If pressed on relationship between the Just Transition Advisory Body and the Net-Zero Advisory Body:*

- The mandate of the Just Transition Advisory Body would need to complement that of the Net-Zero Advisory Body – with the Net-Zero Advisory Body advising on the best pathways to achieve net-zero emissions by 2050 and the Just Transition Body advising on the people-centred strategies required to get there.

#### Q7: How is NRCan engaging Canadians on the legislation?

- In July 2021, NRCan launched a consultation process to inform the development of just transition legislation.
- To guide the process, the department released a discussion paper that outlines elements that could be included in legislation – specifically, principles and an advisory body.
- Canadians were invited to provide comments on these proposals until April 30, 2022.
- We are also holding 15 roundtable sessions with experts, unions and industry.
- Following the consultations, we will publish a “What We Heard” report.

#### Q8: How is NRCan engaging Indigenous peoples?

- NRCan is meeting with national Indigenous organizations, as well as with Indigenous workers in the energy sector through the oversight committees for TMX and Line 3.

#### Q9: How is NRCan engaging provinces and territories?

- We are seeking their feedback, and will continue to engage with provinces and territories through the Regional Energy and Resource Tables.

#### Q10: What have you heard so far from partners and stakeholders?

- Following the conclusion of these consultations, a “What We Heard” report will be posted online to summarize the findings.
- When the submission period ended on April 30, we had received 30,000 written submissions, which the department is reviewing.

#### Q11: When will the legislation be tabled?

- This initiative remains a priority for the Government.
- The legislation will be tabled once we are confident that it reflects the values of Canadians.



Q12: Why were the consultations and legislation not undertaken earlier, given that this was a mandate commitment in 2019?

- Initial actions were delayed due to COVID-19 and the need for NRCan to focus on economic recovery. By focusing on economic recovery, we were addressing the very real needs of workers and communities facing crisis situations.
- The consultations were launched in July 2021, but were then suspended due to the election.
- The new mandate letters broadened the responsibility for the file, so the department took some time to coordinate with colleagues at Employment and Social Development Canada, Labour and the regional development agencies.

## E. NRCAN'S ROLE IN SUPPORTING A JUST TRANSITION

June 2022

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### ISSUE

In your mandate letter, you were directed to work with your counterparts at ESDC and Labour to move forward with legislation and “comprehensive action” to support a just transition.

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### KEY MESSAGES

- NRCan's role in supporting a just transition includes:
  - Delivering legislation and comprehensive action to create sustainable jobs all across the country as we move toward a net-zero emissions economy by 2050.
  - Developing and executing regional strategies to pursue opportunities for regional economic diversification in collaboration with provinces and territories.
  - Supporting the growth of net-zero compatible natural resource industries, leading to economic growth and job creation.
  - Working with other departments, including at Employment and Social Development Canada, to identify emerging areas where skills and training support can help ensure Canada has the workforce it needs to succeed in the net-zero economy.
  - Demonstrating global leadership and working with key international partners to advocate for a just, inclusive and equitable transition.
  - Ensuring the path we take to net-zero is the one which results in a Canadian energy system that is reliable and affordable for Canadians.
  - Ensuring Canada can contribute to global energy security through the export of energy products and clean technologies.

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## QUESTIONS AND ANSWERS

### Q1: What role does NRCan have in supporting a just transition?

- My role – and the role of my department – is to:
  - work with partners and stakeholders to determine how we can best utilize the abundance of resources and talent that exist in this country to define and effectively pursue the opportunities that will drive job creation and economic growth;
  - deliver people-centred, inclusive programming across the natural resources sectors;
  - lead government-wide coordination of planning and implementing a just transition for Canadians; and
  - lead international efforts to encourage and support a just, inclusive and equitable transition in other countries.

### Q2: What is NRCan doing to create jobs in the clean economy?

- NRCan has a number of grants and contribution programs that provide support to the natural resource sectors. This funding helps ensure that projects can move ahead, creating jobs in every region of Canada.
- Here are a few examples:
  - Through the **Smart Renewables and Electrification Pathways program**, NRCan is supporting 48 deployment projects across the country, which will create upwards of 17,000 job-years of employment.
  - Through the **Clean Energy for Rural and Remote Communities** program, NRCan is supporting more than 115 renewable energy and capacity building projects across Canada, which provide new green jobs and training in some of Canada's smallest and most remote communities.
  - Through the **Science and Technology Internship Program - Green Jobs**, NRCan provides funding to eligible employers across Canada to hire and mentor youth in the natural resources sector, including in energy, forestry, mining, earth science, and clean technology.

- In 2018, NRCan invested \$5 million through the Clean Growth Program to help position **Newmont's (formerly Goldcorp Canada) Borden Mine** as a mine of the future, through the conversion of its underground diesel fleet of trucks with battery electric vehicles – making it the first all-electric underground mine in Canada and reducing its GHG emissions by 70%.
- This investment supported the creation of approximately 250 jobs for local and Indigenous communities.

### Q3: What is NRCan doing to increase the participation of underrepresented groups in the energy sector?

- NRCan has a mandate to support the future and livelihood of workers and their communities in the transition to a low-carbon economy, particularly through increasing inclusion in the clean energy workforce by creating more opportunities for underrepresented groups in the energy sector.
- To this end, we are improving our programs to ensure that project funding leads to more inclusive jobs for Canadians.
- NRCan leads on the international campaign, Equal by 30 which seeks private and public sector commitments to work towards equal opportunities, equal pay and equal leadership for women and underrepresented people in the energy sector. It has more than 180 signatories.
- On the international stage, we are demonstrating leadership and working with key partners to advocate for a just, inclusive and equitable transition.

#### *Examples:*

#### Programs: Inclusive Project Funding

- The **Clean Fuels Fund** helps to support the build out of new or expansion of existing clean fuel production capacity across the country. The Fund has launched a call for project proposals for Indigenous-led clean fuel production projects, providing opportunities for Indigenous communities across Canada to engage in the energy transition.
- The **Smart Renewables and Electrification Pathways (SREPs) program** has been tailored to enable and encourage the participation of Indigenous governments and organizations. More than half of the program's funding has been allocated to projects with Indigenous participation or leadership, which qualify for higher levels of project support.

- The Capacity Building stream of the program focuses on supporting projects that:
  - enhance equity, diversity and inclusion in the electricity and renewable energy sector in Canada;
  - increase Indigenous peoples' leadership and participation in, ownership of, and benefits from renewable energy projects; and
  - generate economic and social benefits related to the electricity and renewable energy sector for underrepresented groups or communities.
- To support a diverse and inclusive energy sector, SREPs requires all applicants in the Deployment stream to either:
  - provide evidence of having signed onto a public commitment for equity, diversity and inclusion that supports the Program's objectives, or
  - submit an Equity, Diversity and Inclusion (EDI) plan, including an anti-discrimination policy, anti-racism policy, and a plan for educating staff to enable a safe, inclusive, diverse, and equitable workplace.
- In addition, the program supports projects within the Capacity Building stream with an EDI focus, such as mentoring, apprenticeships and training focused on underrepresented groups.
- The **Canadian Minerals and Metals Plan** is a pan-Canadian effort to enhance the competitiveness of the entire minerals and metals sector. One area for action is increasing the diversity of the mining workforce. With a tight labour market and a particular need for workers in scientific and technical positions, there is an opportunity to address these labour shortages, while increasing the diversity of the workforce.

#### International Policy Leadership

- To ensure that the low carbon transition is equitable and inclusive, the Government of Canada jointly leads the **Equality in Energy Transitions Initiative**, a joint effort between the Clean Energy Ministerial and the International Energy Agency, which works to advance gender equality in the energy sector, globally.
- NRCan leads the **Equal by 30 Campaign**, which encourages voluntary commitments by both public and private sector organizations to work towards equal pay, equal leadership and equal opportunities in the energy sector by 2030. Since the campaign's launch in 2018, over 180 organizations and governments from around the world have signed on.

- NRCan joined the newly-launched **International Energy Agency Gender Advisory Council** in September 2021. It is an advisory group of governments established to provide guidance on the IEA's efforts to promote gender diversity in the energy sector.
- At COP26, Canada announced it was signing on to the **Gender and Energy Compact**, a multi-stakeholder Energy Compact under the UN High Level Dialogue on Energy, to accelerate efforts to enhance gender equality and women's empowerment to achieve a just and inclusive energy transition.
- In 2021, Canada, the European Commission, and the US launched the **Empowering People Initiative**, which is working with the International Energy Agency to develop in-depth analysis and guidance to support governments to take actions to ensure that all people benefit from new job opportunities in the clean energy transition. The Empowering People Initiative has also partnered with the International Smart Grid Action Network to create a new award theme which recognizes organizations working towards achieving an inclusive smart grid workforce.

#### Q4: What is NRCan doing to support the participation of Indigenous peoples in the energy sector?

NRCan has two national programs that support the participation of Indigenous peoples in the renewable energy and electricity sector:

1. **The Smart Renewables and Electrification Pathways (SREPs) program** is a \$964 million program that supports the deployment of smart renewable energy and electrical grid modernization projects, using market-ready technologies. SREPs also features a \$100M minimum set-aside for majority Indigenous owned projects; this will be exceeded by a significant margin.

SREPs has been tailored to enable and encourage the participation of Indigenous governments and organizations. For example:

- More than half of SREPs funding has been allocated to projects with Indigenous participation or leadership, which qualify for higher levels of project support.
- Grant funding is available for Indigenous Engagement and Consultations activities.

In addition, the Capacity Building stream of the program focuses on supporting projects that increase Indigenous peoples' leadership and participation in, ownership of, and benefits from renewable energy projects.

We expect to be in a position to announce projects in the near future.

2. The **Clean Energy for Rural and Remote Communities (CERRC) program** is a \$220 million program that supports the transition of communities reliant on diesel fuel for heat and power to clean energy through renewable energy and capacity building projects.
- Diesel-reliant Indigenous communities are located from coast to coast to coast in Canada and the vast majority of remote communities are Indigenous.
  - CERRC is supporting more than 115 renewable energy and capacity projects across Canada that are enabling participation of Indigenous peoples in the sector.

Two examples of how CERRC is supporting greater of Indigenous peoples in the electricity sector:

- **Fort Chipewyan Solar Project** is a \$4.5 million investment towards a 2.2 megawatt solar energy and energy storage project in Fort Chipewyan, Alberta. The project, the largest off-grid solar project in Canada, is owned by Three Nations Energy, a Limited Partnership formed by the Athabasca Chipewyan First Nation, Mikisew Cree First Nation and Fort Chipewyan Métis Local 125 — three neighbouring Indigenous groups in Fort Chipewyan. It will produce 20 percent of electricity generation for the community, displacing 650,000 litres of diesel fuel per year and reducing greenhouse gas emissions by 1,743 tonnes annually.
- The **Watay Power Transmission Project** in Ontario aims to build 1800Km of transmission lines to connect 17 remote First Nations communities. The Governments of Canada and Ontario invested \$1.6 billion into the project. Through this funding framework, 24 Northern Ontario First Nations are an equity investor and will eventually own 100% of the transmission project. CERRC is supporting a multi-year youth skills training program lead by the service delivery arm of the Watay Power Project so that Indigenous youth from the 24 communities can participate in the construction and operation of the Transmission project.
- In addition, NRCan designed the **Impact Canada Indigenous Off-Diesel Initiative (IODI)** to support remote Indigenous communities in reducing their diesel reliance for heat and power.
- IODI supports 14 Energy Champions and their communities with tailored renewable energy training, access to expertise and mentors, and financial resources to implement community-driven clean energy projects to reduce diesel. Projects supported under the program are Indigenous-led, community-driven, and focus on supporting local capacity building, clean energy planning and developing clean energy projects.

## F. COAL WORKERS AND COMMUNITIES

June 2022

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### ISSUE

To support workers and communities impacted by the accelerated phase-out of coal fired electricity generation, the Government of Canada committed \$185 million towards skills development, economic diversification and infrastructure improvements in Alberta, Saskatchewan, Nova Scotia and New Brunswick. Additional broad-based skills, training and economic diversification federal measures provide support to workers in the net-zero transition.

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### KEY MESSAGES

- The work of the Task Force on Just Transition for Canadian Coal Power Workers and Communities helped lay the foundation for a just transition away from coal-fired electricity.
- \$185 million is being invested to strengthen communities affected by the transition off coal-fired electricity, enabling workers to pursue meaningful careers and improving local communities to support a high quality of life for generations to come.
- We will continue to support Canadians as we transition to a net-zero economy, ensuring that they have the resources they need to build stronger, resilient communities and create new opportunities.

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### QUESTIONS AND ANSWERS

Q1: Has the Government of Canada implemented all of the recommendations from the Task Force on Just Transition for Canadian Coal Power Workers and Communities?

- We carefully reviewed and considered the Task Force's recommendations.
- We committed \$185 million to support affected communities, including \$35 million for the Canada Coal Transition Initiative focused on skills development and economic diversification, as well as \$150 million for a dedicated infrastructure fund.



Q2: How much of the \$185 million to support coal workers and communities has been spent and what has it achieved?

- As of April 26, 2022, the Regional Development Agencies have invested over \$75 million in 72 projects across Alberta, Saskatchewan, New Brunswick and Nova Scotia.

*If pressed on amount of investment or number of projects supported in each province:*

	SK	AB	NB	NS	Total
<b>Canada Coal Transition Initiative</b> <i>(supports skills development and helps communities adapt to a low-carbon economy)</i>					
Number of approved and announced projects	22	12	2	14	50
Total contribution amount	\$7,873,387	\$12,166,478	\$2,682,819	\$6,222,616	\$28,945,300
<b>Canada Coal Transition Initiative – Infrastructure Fund</b>					
Number of approved and announced projects	4	3	3	12	22
Total contribution amount	\$12,001,776	\$19,855,926	\$5,069,261	\$9,631,227	\$46,558,190

Q3: What will NRCan do to support workers impacted by the proposed thermal coal export ban?

- Taking into account Canada's objective of reducing global GHG emissions in our fight against climate change – it is anticipated that the thermal coal export ban will apply equally to thermal coal exports both from and through Canada.
- The specific timing of the export ban on thermal coal is yet to be determined, but will be no later than 2030.
- At this time, the Government of Canada is considering a range of possible options to implement such an export ban on thermal coal; however, it has not yet determined the formal approach.
- We recognize that the implementation of the commitment to ban exports of thermal coal from and through Canada will impact parts of the country differently.
- Through consultations on just transition legislation, we are seeking feedback on how the Government can support workers and communities in the transition to a net-zero future.

## G. OIL AND GAS WORKERS AND COMMUNITIES

June 2022

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### ISSUE

Workers in Canada's oil and gas sector are worried about their futures and the impact of climate policy decisions on the sector.

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### KEY MESSAGES

- Canada cannot reach net-zero emissions without the participation, know-how and innovative ideas of all Canadians, especially oil and gas workers.
- Oil and gas workers are part of Canada's path to net-zero, while helping ensure global energy security, and there are new opportunities in the transformation to net-zero emissions that will require their skills. This is why we are making significant investments in industrial decarbonisation, clean technology and clean fuels.
- We have also taken concrete steps in the oil and gas sector to create and maintain jobs and promote sustainability objectives, including, investing in the clean up of orphan and inactive wells, in Newfoundland's offshore, and in measures to reduce methane emissions.
- Canada has also committed to work with the United States and other countries to establish the Net-Zero Producers Forum, a platform for oil and gas-producing countries to discuss how the sector can support the implementation of the Paris Agreement on climate change and the goal of achieving net-zero emissions by 2050.
- We recognize that this transition has to be orderly but, nevertheless, will have varying impacts across the country, between regions, sectors and demographics. That is why we are taking action to consult early on, and often with Canadians, to ensure that workers and communities can succeed and thrive in the net-zero economy.

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## QUESTIONS AND ANSWERS

Q1: What is NRCan doing to support oil and gas workers impacted by the transition to net-zero?

- In July 2021, consultations were launched on proposed just transition legislation. These consultations include a broad range of stakeholders, including those in the oil and gas sector.
- We are also:
  - making significant investments in skills training to ensure that workers are able to succeed in a net-zero economy, including in the Upskilling for Industry Initiative that will develop and deliver demand-driven, short cycle upskilling programs to meet the needs of employers;
  - developing and executing regional strategies to pursue opportunities for regional economic diversification in collaboration with provinces and territories; and
  - building our knowledge base to understand the opportunities and impacts associated with the net-zero transition.

Q2: How many oil and gas jobs currently exist in Canada?

- The number of jobs related to the oil and gas sector in 2020 was 178,000 direct jobs and 415,000 indirect jobs.

Q3: How many jobs will be lost in the oil and gas sector as a result of the Government of Canada's climate change actions?

- The answer to this question depends on which pathways Canada and the rest of the world takes to reach net-zero. And the actions non-government actors such as industry takes to get us there. It also depends on future global demand for oil and gas as the world is also pursuing net-zero emissions.
- Oil and gas jobs could remain at high levels by 2050 if we choose to pursue opportunities around hydrogen and CCUS, whereas employment in oil and gas could decline if electrification and efficiency end up being the main pathways.
- Some projections point to significant opportunities. For example, Clean Energy Canada projects jobs in the clean energy sector to grow by more than 2.5% each year over the next decade.

- In some cases, the jobs of the future will not look much different than many of the jobs that exist today.
- A facility that cleanly produces hydrogen from fossil fuels will not, in terms of the required skills, look much different from an existing refinery -- workers are required to produce fossil fuel feedstock for a clean hydrogen facility, just as they are required to produce feedstock for an oil refinery. The same would hold true for a biofuels plant.
- That's not to say that every job that exists in today's economy has a perfect twin in a net-zero economy.
- And it's not to say the transition will not be accompanied by change and uncertainty for some workers and communities where the labour force requirements of the future will differ from those of today.
- This is why thoughtful, coordinated and proactive planning is critically important.
- Collectively we need to anticipate and prepare for the types of training and supports required for workers to transition their skills for the new low carbon economy - ensuring sustainable jobs now and into our collective future.

#### Q4: Have other oil and gas producing jurisdictions implemented emissions caps?

- While some of the nine other top producing energy countries have declared net-zero targets and signed the global methane pledge, in addition to other regulatory commitments, none of these countries have implemented an emissions cap for their oil and gas sector.

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### ISSUE

In Canada, energy production and use accounts for over 80% of greenhouse gas emissions. Transforming our energy systems is key to tackling climate change, unlocking emerging economic opportunities and social benefits.

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### KEY MESSAGES

- The global economy is changing, and there's no going back.
- However, the recent volatility in global energy markets and the spike in oil and gas prices, which have been exacerbated by Russia's invasion of Ukraine, underline the importance of ensuring that the transition is orderly and reflects the on-going energy security concerns populations around the world.
- Around the world, financial markets are increasingly pricing climate risk into investment decisions. Smart money is flowing away from assets that are not compatible with a transition to a net-zero world, and towards opportunities that are.
- Just as any successful business must be capable of interpreting and reacting to changes in the business environment, countries - to sustain and enhance their level of prosperity - must also be capable of thoughtful response and action.
- It is in this context that Canada can choose to be a leader in this global economic shift, helping effectively balance the requirements of global energy security with our fundamental need to ensure an effective energy transition – or we can let it happen to us – with all the attendant consequences of being a late mover.
- If we choose to lead, we can ensure that our workers and businesses take advantage of market opportunities that will be worth trillions of dollars.
- My job, as I see it, is to work with Canadians to determine how we can best utilize the abundance of resources, technology, talent and experience that exist in this country to crystalize and pursue those opportunities that will drive significant job creation and economic growth.

- This is why earlier today I launched the Regional Energy and Resource Tables, to identify the most promising growth opportunities across all parts of Canada that can ensure we can compete as the world transitions their energy systems, economies, and enterprises towards net-zero.

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## QUESTIONS AND ANSWERS

Q1: What is the current state of the clean tech industry in Canada and what will be its role in the energy transition?

- Canada's net-zero future depends on innovation.
- Globally, the International Energy Agency expects that pre-commercial technologies will be required to achieve up to 50% of total emissions reductions to achieve net-zero in 2050. In sectors such as heavy industry and medium- and heavy-duty vehicles, this share is even higher.
- The Canadian Institute for Climate Choices found that Canada's road to net-zero will be steeper than the global average, estimating that pre-commercial technology could account for up to two-thirds of the emissions needed for net-zero by 2050.
- These include direct air capture, CCUS, 2nd generation biofuels, hydrogen, renewable natural gas, and other industrial measures.
- There's a lot of work to do. But we start from a position of strength. Canada has a strong clean tech industry that is already asserting itself globally.
- This year, 13 Canadian companies were named to the Global Cleantech 100 list, more than any other country after the United States.
- Canada's clean technology industry is one of the fastest growing segments of the economy, with economic activity and employment forecast to rise by roughly 50% over the next eight years, from a base level of 325,000 jobs in 2020.
- By 2025, clean tech's contribution to Canada's GDP is expected to grow to \$80 billion, from \$67.5 billion in 2020.

Q2: What is the role of the oil and gas sector in a low-carbon future?

- As a major economic contributor to the country and Canada's largest source of greenhouse gas emissions, the oil and gas sector has a critical role to play in meeting Canada's climate objectives, just as it will to ensure domestic, North American and global energy security.

- Oil and gas companies have proven repeatedly that they can innovate and develop new technologies and more competitive business models.
- The technical hurdles they have cleared to develop technologies like in situ oil sands extraction demonstrate that the sector can meet the challenge with the appropriate regulations, incentives and supports.
- Close partnership among all levels of government and industry will be needed.
- With a clear and collaborative plan, the sector can transform itself into the cleanest global oil and gas producers, while also moving to provide low-carbon and non-emitting energy products and services, such as low-carbon hydrogen, geothermal heat and power, carbon fiber, and asphaltene.
- Investments today in decarbonisation and diversification, during a period of record profitability, will also better position the sector over the medium-term, minimizing future climate-related financial risks for companies, workers and Canadians.
- These investments can also create new jobs and support local and regional economies.

**Q3: When is Canada going to give a clear signal to industry and workers on the future of fossil fuel industry in Canada?**

- In virtually all forecasts, global demand for oil is projected to be relatively constant through 2030 before we start to see a decline in volume stemming from broad deployment of ZEV technology. Additionally, even in 2050 demand for oil and gas will still exist, primarily for non-combustion applications such as petrochemicals and hydrogen production.
- It is clear that an understanding of how climate efforts can impact other societal imperatives, such as energy security and affordability is required. We have all watched this play out through the second half of 2021, and then be further amplified in dramatic fashion by Russia's illegal invasion of Ukraine.
- At the end of the day the cause of climate change is not fossil fuels themselves, it is carbon emissions associated with the production and the combustion or burning of fossil fuels. Beyond the need for very significant increases in the use of renewables and other forms of non emitting energy, the reality is that there will continue to be a role for some level of hydrocarbon-based fuels post 2050.
- Through the Emissions Reduction Plan, Canada has given a clear signal that it is committed to capping and cutting emissions from the oil and gas sector at the pace and scale needed to get to net-zero by 2050.

- The details of how best to design and implement this cap will require close collaboration with industry, provinces, Indigenous communities, and stakeholders.
- We are calling on industry and workers to be part of finding the innovative solutions that will allow this transformation to occur.
- We have also shown that Government is committed to being an active partner in maximizing opportunities for ongoing investment in the sector - through mechanisms like the CCUS investment tax credit and Strategic Innovation Fund - Net Zero Accelerator.

**Q4: What is the role of electrification and the electricity sector, including nuclear, in a low-carbon future?**

- Electrifying more activities – from vehicles to heating and cooling buildings to various industrial processes – will be needed for Canada to transition to net-zero emissions by 2050.
- To do that, Canada needs to both increase the supply of electricity and ensure that all electricity generation is net-zero emissions.
- While Canada already has one of the cleanest electricity grids in the world, with over 80% produced by non-emitting sources, transitioning the remaining generation to clean sources will reduce greenhouse gas emissions, improve local air quality, and create jobs and economic growth.
- Working towards net-zero electricity by 2035 will connect regions to clean power, and foster more clean, reliable, and affordable electricity supply.
- It will also help reduce emissions from other sectors, such as industry, buildings, and transportation.
- To ensure success, we will work with provinces and utilities to establish a Pan-Canadian Grid Council to promote clean electricity infrastructure investments.
- We are also investing:
  - an additional \$600 million in the Smart Renewables and Electrification Pathways Program to support renewable electricity and grid modernization projects;



- \$250 million to support predevelopment work for large clean electricity projects, in collaboration with provinces; and
- \$120 million for NRCan to undertake research to minimize waste generated from SMRs, support the creation of a fuel supply chain, strengthen international nuclear cooperation agreements and enhance domestic safety and security policies and practices; and for the Canadian Nuclear Safety Commission to build the capacity to regulate SMRs and work with international partners on global regulatory harmonization.

*If pressed on small modular reactors:*

- Small modular reactors offer a promising pathway to support Canada's low-carbon energy transition and they are less complex, easier to operate, and more cost effective than current nuclear technology.
- For example, a 300-megawatt small modular reactor could supply enough clean power for an estimated 300,000 homes.
- With approximately 76,000 hard-working Canadians employed across its supply chain, Canada's nuclear industry is well positioned to leverage its more than 60 years of science and technology innovation to become a leader in the development and deployment of small modular reactor technology.
- Support to develop this technology can position Canada as a clean energy leader; support the decarbonisation of provincial electricity grids in places like New Brunswick and Saskatchewan; facilitate the transition away from diesel power in remote communities; and help decarbonize heavy emitting industries.
- To advance Canada's SMR Action Plan, we have committed around \$100 million in funding from the Strategic Innovation Fund for SMR projects. This includes:
  - \$20 million to advance the Ontario based Terrestrial Energy's reactor design;
  - \$47.5 million to develop the New Brunswick based Moltex Energy's reactor and technology to recycle CANDU spent nuclear fuel into new fuel; and
  - \$27 million to support the development of Westinghouse Electric Canada's eVinci microreactor, which seeks to displace heavy polluting diesel fuel while creating and maintaining more than 200 full time jobs in Canada.

- We have also established a SMR Leadership Table to advance Canada's SMR future and ensure participants benefit from expert advice and guidance, and explore opportunities to expand the development and deployment of SMRs at home and abroad.

#### Q5: What is the role of the forestry industry in a low-carbon future?

- Canada's forests play a unique role in achieving both our 2030 and 2050 emissions reduction targets, but equally important are the other benefits they provide such as improved air and water quality; support for biodiversity and critical habitat; and opportunities that improve health and well-being, and quality of life.
- Resilient and sustainably managed forests, along with an innovative sector, contribute to Canada's net-zero objectives by mitigating emissions and storing carbon. In addition to support for a low carbon future, forests contribute to a number of our government's other key priorities: public safety, conservation, adaptation and Indigenous Reconciliation. There is an important opportunity for Canada and the forest sector to build on this alignment in a way that stacks benefits and amplifies outcomes associated with forest-related activities.
- A changing climate threatens the health and resilience of our forest ecosystems. Natural disturbance emissions resulting from fires and insect damage has increased greatly in recent years and is likely to continue to rise without further action going forward. Currently, we are supporting several forest-related climate change mitigation and adaptation efforts connected with Canada's forests and forest industry.
  - Programs include the NRCan-led Natural Climate Solutions Fund and 2 Billion Trees, NRCan's Green Construction through Wood program, ECCC's Low Carbon Economy Fund, and INFC's Disaster Mitigation and Adaptation Fund and Natural Infrastructure Fund.
  - We have committed to help protect old growth forests, notably in British Columbia.
  - The Emissions Reduction Plan also includes a commitment to exploring the potential for negative emission technologies in the forest sector, particularly in facilities where biomass is used as an energy source.
  - We are developing a Federal Greenhouse Gas Offset System that will encourage voluntary project activities across Canada that reduce GHG emissions by allowing the generation of offset credits. Moving forward we will continue to develop protocols under the program for activities in the agriculture, forestry and waste sectors, thereby creating a financial incentive to reduce emissions from activities involving these sectors.

#### Q6: What is the role of the mining sector in a low-carbon future?

- The global energy transition to a clean and low-carbon economy will be materially intensive and require critical minerals for building tomorrow's clean technologies.
- In order to achieve our climate and net-zero goals, the production of solar cells, high-density batteries, wind turbines and electric vehicles, will require key commodities such as copper, nickel, and cobalt, for which Canada is a key producer.
- Canada also hosts a number of advanced mineral deposits for rare earth elements, lithium and graphite. Globally, Canada has many of the minerals and metals deemed "critical" by our trading partners, including the United States.
- While Canada has an abundance of a number of valuable critical minerals, we need to make significant investments to make the most of these resources.
- This is why in Budget 2022 we announced \$3.8 billion to implement Canada's first Critical Minerals Strategy. This will create thousands of good jobs, grow our economy, and make Canada a vital part of the growing global critical minerals industry.

#### Q7: What is NRCan doing to support Indigenous communities in transitioning off-diesel to clean energy?

- Around 200 communities in Canada are not connected to the North American grid and depend on diesel fuel for heat and power. The majority of these remote communities are Indigenous. Remote communities in Canada consume 680 million litres of diesel every year.
- Diesel-reliant Indigenous communities are located from coast to coast to coast in Canada. For example, all 51 communities across Inuit Nunangat rely entirely on diesel. In British Columbia, which has the largest portion of remote Indigenous communities south of 60 degrees, there are 36 communities.
- Through the Clean Energy for Rural and Remote Communities program, NRCan is supporting the transition of communities reliant on diesel fuel for heat and power to clean energy through renewable energy and capacity building projects.
- To date, the program is supporting 117 projects in more than 130 communities. 90% of projects are located in Indigenous communities and over 70% are community-led.

- Budget 2021 announced an additional \$300 million over five years towards our commitment to support the transition of Indigenous communities onto clean energy by 2030. In response, NRCan is enhancing its coordination between federal departments, to deliver programming that better supports Indigenous communities that is driven by the principles of Indigenous Climate Leadership.
- In developing the Critical Minerals Strategy, Indigenous engagement with Indigenous groups, First Nations, Inuit, and Métis peoples at national, regional and industry levels will contribute to Canada's future prosperity.
- Engagement with Indigenous peoples on the Critical Minerals Strategy is underway. Engagement is intended to be long-term and ongoing, with the goal of identifying and supporting Indigenous priorities related to critical mineral projects and value chains, and exploring opportunities to advance reconciliation and benefits sharing with Indigenous peoples.
- Advancing partnerships with Indigenous organizations and communities will be pivotal to creating an equitable partnership in the energy transition as many Indigenous communities have said they see participation or ownership of renewable energy systems as central to their sovereignty and self-determination, and have expressed the desire to continue to develop and demonstrate clean energy and climate leadership.

#### Q8: How will Canada fund the energy transition?

- Government alone will not be able to finance the energy transition.
- To prosper in the face of challenges of such great scale, we must find new ways of pooling our capabilities across the public sector, the private sector and across industries from coast-to-coast-to-coast.
- Thankfully, the transition represents a significant opportunity for businesses and investors looking to invest in the economy of the future and trillions of dollars in private capital have already been assembled for investments in green infrastructure and technology around the world.
- Since 2015, we have invested more than \$100 billion to help lead the way in fighting climate change and protecting the environment.
- This includes significant investments to transform the way we produce and use energy.
- We are also taking a number of important steps to mobilize the substantial private capital that will build a cleaner economy, fight climate change, and create new, good-paying middle class jobs for Canadians.

- Through Budget 2022 we:
  - announced additional tax incentives to help de-risk capital investment in clean technologies to speed up their deployment in step with climate commitments;
  - announced our intention to create an operationally independent federal innovation and investment agency;
  - committed to establishing the Canada Growth Fund - a significant new \$15 billion government investment fund that will accelerate the investment of private capital into decarbonisation and clean technology projects; help to promote the diversification of Canada's economy; play a key role in helping to meet Canada's climate targets; and strengthen both Canada's economic resilience and capacity; and
  - announced a broadened role for the Canada Infrastructure Bank to invest in private sector-led infrastructure projects that will accelerate Canada's transition to a low-carbon economy.

#### Q9: How will Canada ensure that energy remains affordable in the energy transition?

- In 2020, Canada had the 2<sup>nd</sup> lowest household electricity rates and the 7<sup>th</sup> lowest industrial electricity rates among OECD countries. However, significant variation exists across Canadian jurisdictions, with those reliant on fossil fuels typically facing higher electricity prices.
- Balancing the pace and scale of investments in the electricity sector with the need to preserve affordability will be essential in a future increasingly powered by electricity in order to mitigate adverse impacts, such as increased energy poverty and erosion of economic competitiveness. In addition, if rates become too high this will undermine the incentive for electrification.
- Investments in smart grid technologies (many of which integrate information/communication technology into the system), paired with new business models and markets, can allow utilities to better utilize existing assets, limit the need for grid infrastructure investments, and incorporate higher levels of variable renewables – the lowest cost form of new power generation – providing an opportunity to mitigate the transition's impacts on power prices.
- As well, corporations increasingly strive to meet their own environmental and financial goals, and as renewable energies become more cost competitive, corporations procuring renewable energy for their use is another viable and effective strategy to increase non-emitting electricity generation in Canada, while reducing the burden on utilities and rate payers.

- It should be noted that provinces and territories have jurisdiction over their electricity systems and therefore play a central role in managing these system and maintaining affordability.

**Q10: How will Canada ensure that energy remains reliable and secure in the energy transition?**

- Recognizing that provinces/territories are the main actors in this space and provincial electric utilities rules will significantly impact investment decisions in addition to federal regulations, it is expected that the transition to net-zero will require major investments in non-emitting electricity generation, transmission, distribution, storage, and grid modernization, in large part to meet demands from increasing electrification in other sectors.
- The net-zero pathway needs to ensure that reliability of electricity supply is maintained. This will require careful consideration for the role of natural gas and the integration of new dispatchable, non-emitting resources to balance variable resources like wind and solar.
- Storage, increased transmission and distribution infrastructure, and emerging technologies, like SMRs and hydrogen, will be required to support a net-zero grid.
- Many emerging technologies (SMRs, CCUS, hydrogen, geothermal and some forms of storage) will require government support and/or facilitation to become commercial options faster.

**Q11: How is NRCan tracking progress on the energy transition?**

- Implementation of measures and strategies introduced to date, as well as new and expanded ones identified in the 2030 Emissions Reduction Plan, are being tracked.
- NRCan will continue reporting on its initiatives through the Annual Synthesis Reports on the implementation of the Pan-Canadian Framework, as well as progress reports (starting in 2023) under the *Canadian Net-Zero Emissions Accountability Act*.
- Continued assessments and tracking also occur under existing reporting cycles (including, but not limited to, requirements under the *Federal Sustainable Development Act*, and departmental plans and reports).

# I. CESD AUDIT ON JUST TRANSITION

June 2022

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## ISSUE

The Commissioner of the Environment and Sustainable Development tabled its audit report of Just Transition to a Low-Carbon Economy on April 26, 2022.

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## KEY MESSAGES

- We would like to thank the Commissioner of the Environment and Sustainable Development (CESD) for its Audit of Just Transition to a Low-Carbon Economy.
- NRCan is working closely with implicated departments to support workers and communities for a just transition to a low-carbon economy. Unfortunately, much of this work wasn't captured in the audit due to its timing and limited scope.
- We are well on our way to delivering legislation on just transition, informed by public consultations as we listen to Canadians, key stakeholders, Indigenous groups, and provinces and territories.
- On comprehensive action, we've made significant investments over the past two years in support of the economic recovery, climate action and skills and training that will create sustainable jobs.
  - These include investments to support the implementation of the Strengthened Climate Plan and over \$1 billion for Employment and Social Development Canada to deliver workforce training and support for workers, including in sectors undergoing transitions.
  - NRCan is investing in energy, mining and forestry programs and projects in every region across the country, supporting sustainable job creation in growing fields that will help us meet our net-zero by 2050 target.
    - These programs include Greener Homes, the Clean Fuels Fund, Smart Renewables and Electrification Pathways, Clean Energy for Rural and Remote Communities and the Canadian Metal and Minerals Plan.

- Earlier today, I launched Regional Energy and Resource Tables with each province and territory, to align focus, resources, and authorities around several priorities that are aimed at seizing each jurisdiction's competitive advantage to thrive in a low carbon economy. The regional strategies that will result from this process will have a strong workforce component to well position all regions across Canada to take advantage of the huge economic benefits available as part of the transition to net zero.
- Prairies Economic Development Canada and the Atlantic Canada Opportunities Agency have continued to roll out and deliver \$185 million to support local job creation and economic diversification in communities impacted by the coal phase-out.
- NRCan will continue to work with the relevant departments to ensure that the audit recommendations, many of which are already underway, are addressed, ensuring a coordinated, whole-of-government approach to creating sustainable jobs across the country.

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## QUESTIONS AND ANSWERS

Q1: Do you agree with the findings of the CESD presented in the Audit of Just Transition to a Low-Carbon Economy tabled on April 26?

- Implicated departments accept the audit's recommendations within the context of its narrow scope and the limited time involved.
- The scope of the audit covered the period of January 2018 to September 2021 and therefore was not able to fully assess work underway to deliver upcoming just transition legislation and relevant Budget 2021 programming delivered by ESDC.
- We are well on our way to delivering comprehensive action and legislation on just transition.
- We will continue to work with the relevant departments to ensure that the audit recommendations, many of which are already underway, are reflected in future work on just transition.



Q2: Why did the Commissioner find that federal government is not prepared to support workers and communities for a just transition to a low-carbon economy, and how will you address this?

*On the lack of an implementation plan:*

- The Government's implementation plan on just transition is clear: deliver comprehensive action and legislation to support workers and communities in the transition to a low carbon economy.
- The work on legislation is well underway and is being refined and informed by public consultations as we listen to Canadians, key stakeholders, provinces and territories and Indigenous groups.
  - Social dialogue is a key part of getting to the right solutions for Canadian workers and communities and is a central pillar of the International Labour Organization's Guiding Principles for a Just Transition.
  - As such, we need to balance the need to act with urgency and take the time to consult with Canadians.
- On comprehensive action, work is also well underway through strategic investments in skills and training, regional strategies, economic diversification in coal communities, and natural resource programs and projects across the country that create sustainable jobs.
- I also want to be clear that achieving a just transition does not have a set end date.
  - It requires careful, coordinated and proactive planning to ensure Canadians have sustainable jobs that will carry them from tomorrow to 2030, 2050 and beyond.
- Furthermore, this work is not static – labour market trends will continue to evolve depending on the pathways Canada and the rest of the world take to reach net-zero.
  - As such, we need to prepare for, and have the ability to adapt to moving forward, the types of training and supports required for workers to transition their skills for the new low carbon economy.

*On delays to deliver legislation:*

- The 2019 mandate commitment letters were released in December of 2019, mere months before the pandemic took hold, and economies around the world took a massive hit.
- In response to this crisis, the Government provided unprecedented emergency support to Canadian families and Canadian businesses with a relentless focus on jobs, helping to keep Canadians employed, and their employers afloat.
  - This included almost \$2.5 billion for the energy sector and over \$1 billion in workforce training and support for workers, including in sectors undergoing transitions.
- The consultations on legislation were launched in July 2021, then suspended due to the election.
- Public consultations were re-launched in March and will continue until the end of May.
- A What We Heard Report will be released.

*On governance:*

- Just transition requires a whole-of-government approach. Our departments already work closely and collaboratively on just transition, through various working groups and committees who meet on a regular, ad-hoc basis.
- To go further, NRCan is establishing a formal governance structure to coordinate and advance just transition through the creation of a Directors General interdepartmental group, governed by Terms of Reference outlining roles, responsibilities and accountabilities.
- NRCan and ESDC will establish a Working Group on Skills and Employment under the Deputy Ministers' Committee on Climate Plan Implementation. The committee is expected to start meeting in May 2022.

Q3: Why did the Commissioner find that the government did not adequately support workers and communities affected by the phase-out of coal-fired electricity, and how will you address this?

- ACOA and Prairies Economic Development Canada are delivering two initiatives — Canada Coal Transition Initiative and Canada Coal Transition Initiative-Infrastructure Fund. These two initiatives are tailored specifically to address the diverse needs of workers and communities affected by the accelerated phase-out of coal.

- As of April 26, 2022, the Regional Development Agencies have invested over \$75 million in 72 projects across Alberta, Saskatchewan, New Brunswick and Nova Scotia.
- A one size fits all approach is not ideal. Through the Just Transition Task Force engagement sessions, identified communities requested a community driven approach for tailored programs and benefits.
- ACOA and PrairiesCan's existing suite of programs offer the needed flexibility to effectively address local economic issues that respond to the actual needs of communities and businesses.
- As such, by using its existing suite of programs, they were able to be on-the-ground early and provide timely support and advice to the impacted communities and businesses.
- It is important to note that the timeline for a transition away from coal in Nova Scotia and New Brunswick is still likely a decade or more in the future.
- In fact, most of the impacted sites in New Brunswick and Nova Scotia will not be closing until approximately 2030, which will allow a transition period to work with the affected businesses.

## J. REGIONAL ENERGY AND RESOURCE TABLES

June 2022

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### ISSUE

Through the Regional Energy and Resource Tables (Regional Tables), the Government of Canada is working to enable all regions of Canada to realize their comparative advantage in a net-zero economy, driving growth and job creation now and in the future.

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### KEY MESSAGES

- Through the Regional Energy and Resource Tables, we will work with provinces and territories, as well as Indigenous peoples and key stakeholders, to focus on economic opportunities, and the enabling transformation, compatible with net-zero.
- This process is a chance to accelerate the highest potential economic growth and diversification opportunities, and make sure that we can coordinate actions towards common goals.

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### QUESTIONS AND ANSWERS

Q1: What are the Regional Energy and Resource Tables?

- The transition to net-zero is now a competitive race between the world's economies and enterprises – and Canada and Canadian workers have all the tools necessary to be at the forefront of this transition and reap the benefits of early adoption.
- In order to remain competitive internationally and spur economic growth over the long term, we must think about these economic opportunities both sectorally and regionally.
- The Regional Energy and Resource Tables are a collaborative initiative designed to identify, prioritize, and pursue opportunities for economic growth and sustainable job creation for a net-zero future across all regions of Canada.
- This regional approach is important – each province has a unique mix of their own resources and comparative advantages, and so the economic opportunities available to them – and approaches to the clean energy transition – will be different across the country.

- The Regional Tables aim to align priorities, funding and financing tools, as well as policy and regulatory approaches, on a regional basis to accelerate economic activity and position Canada as a leader in areas where we have or can reasonably create comparative advantage in the net-zero future. This work will inform Canada's approach to ensuring a just transition through the creation of sustainable jobs in every part of the country.
- There are three main elements to the process:
  1. A close partnership between federal, provincial and territorial governments to identify and accelerate a common list of the top two to four economic growth priorities in each region;
  2. A tailored approach to Indigenous engagement to reflect their priorities and perspectives on regional opportunities; and
  3. A process to seek advice from experts as well as input from regional and municipal governments, industry, labour, non-profit organizations and others to reflect their perspectives.

#### Q2: How will this initiative support workers and communities in the low-carbon transition?

- Through the Regional Tables, we will work with relevant partners to determine how we can best utilize the abundance of resources, technology, talent, and experience that exists in this country to identify and pursue opportunities that will drive significant job creation and economic growth.
- We will look to align focus, resources, timelines, and regulatory approaches between governments, labour, industry, and Indigenous peoples that will enable us to collectively accelerate economic activity and to position Canada as a leader in areas where we can or should hold a comparative advantage in the world.
- This means ensuring that every part of the country has the workforce it needs to support a prosperous net-zero economy and capitalize on regional growth opportunities. As part of this work, we are proposing that governments and other regional partners collaborate to develop concrete plans that will ensure we are preparing the workforce to participate fully in the net-zero economy, while minimizing the impacts of labour market transitions.
- This work will inform Canada's approach to ensuring a just transition through the creation of sustainable jobs in every part of the country.
- This initiative will complement our collective work on a just transition.

Q3: How will the Futures Fund support workers and communities in the low-carbon transition?

The Government has committed to creating a new Futures Fund for Alberta, Saskatchewan, and Newfoundland and Labrador to support local and regional economic diversification.

The work we will be advancing through the Regional Tables will be an opportunity to leverage multiple federal programs – including the proposed Futures Fund – and work with partners to align our efforts in support of clearly defined regional outcomes.

We will be considering how best to support these regional economic diversification objectives in these jurisdictions, but have no further details to share on the Futures Fund specifically at this point.

Q4: How does the Regional Energy and Resource Tables relate to the Private Member's Bill C-235 on building a green economy in the Prairies?

- The private members bill on building a green economy in the Prairies has several similarities with the approach we are undertaking on regional strategies. Both aim to harness the opportunities presented by a sustainable, net-zero economy and to address this on a regional basis.
- The work on Regional Tables will focus on priority setting, working with key partners to advance growth opportunities and key enabling energy transformation initiatives, which I believe aligns well with the objective of the proposed bill.

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### ISSUE

The Government of Canada is engaging internationally to help support a just transition.

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### KEY MESSAGES

- Canada is working with international organizations and partners to learn from the experiences of other jurisdictions and share information and in-depth analysis.

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### QUESTIONS AND ANSWERS

Q1: What is Canada doing to demonstrate international leadership on just transition?

- On the international stage, Canada is working with key partners to advocate for a just, inclusive and equitable transition. This includes:
  - Participating as a central member on the International Energy Agency's Global Commission on People-Centred Clean Energy Transitions. On October 26, 2021, the Commission released its final report which included 12 recommendations to put people at the centre of clean energy transitions and more than 150 international case studies.
  - As co-leads, Canada, the European Commission, and the U.S. launched the Empowering People Initiative at the Clean Energy Ministerial in June 2021. Other members include Denmark and Chile. The Initiative seeks to highlight critical socio-economic elements of the energy transition as it relates to advancing skills, inclusivity and workforce development in clean energy.
  - Joining IRENA's Collaborative Framework on Just and Inclusive Energy Transitions at its inception in May 2021. NRCan supports its focus on employment, gender and social inclusion, which is critical to finding lasting solutions needed to ensure that all workers and communities have opportunities to succeed in the low carbon energy transition.

Q2: What benefits will the Empowering People Initiative have for Canadian workers?

- The Empowering People Initiative and the International Energy Agency are collaborating to develop in-depth analysis and guidance in the context of people-centred transitions in an effort to ensure that governments, including our own, can take actions that ensure all workers can benefit from new job opportunities in the clean energy transition.

- Recognizing the need for a diverse and inclusive workforce, this work will provide a strong focus on policy examples that aim to ensure greater representation, inclusion and diversity in clean energy employment.
- This collaboration will culminate in a report that will include a selection of case studies – including one on Canada – focused on reskilling, upskilling, recruiting, and training, to deliver a detailed account of clean energy policies and their local context.
- Through this work, the Empowering People Initiative and the International Energy Agency aim to support countries interested in adopting the Commission's recommendations and committing to their implementation, including Canada, with the goal to ensure that all people across diverse geographies and socio-economic and demographic characteristics can benefit from and participate in the future energy workforce.

**Q3: What international best practices has NRCan examined for similar transitions in other countries?**

- Low-carbon energy transitions are underway in many countries, and some governments are taking targeted action to support a just transition.
- We have been particularly interested in the approach taken by Scotland, as it is looking at just transition from a broad, economy-wide perspective.

*For information:*

**NEW ZEALAND**

New Zealand's *Climate Change Response (Zero Carbon) Amendment Act* (2019) included a mandate to cease the issuing of new licenses for offshore oil and gas exploration, leading to a phase-out of the sector by 2050. NZ has established the Just Transitions Unit in the Ministry of Business, Innovation and Employment (2018), which is mandated to support the Taranaki region where much of the country's oil and gas industry is based. In 2019, NZ invested NZD 9 million for additional policy resources in the Ministry of Business, Innovation and Employment for the Future of Work and a Just Transition to a Low-Emissions Economy; NZD 27 million to establish a new National Energy Development Centre in Taranaki; NZD 82.4 million towards the Provincial Growth Fund: Investment in Skills and Infrastructure.



## **UNITED KINGDOM**

*The North Sea Transition Deal* (March 2021) outlines how the offshore oil and gas sector and the United Kingdom's government will work together to achieve net-zero by 2050. The Deal outlines over 50 government and sector commitments built around five outcomes including: (1) decarbonisation of supply; (2) developing carbon capture, use, and storage infrastructure; (3) developing and scaling up hydrogen production technology; (4) transforming the oil and gas supply chain; and, (5) supporting up to 40,000 direct and indirect supply chain jobs. The plan also commits to create an integrated people and skills plan to be presented to the United Kingdom's government by March 2022.

The UK government has announced proposals to establish a "Deal Delivery Group" to oversee the implementation of the Deal, including reviewing progress of the commitments against the stated objectives. The United Kingdom's government has committed to deliver a progress report on implementation in March 2022. The UK government has also committed up to £14 billion to £16 billion by 2030 in new energy technologies, £6.3 million in the Global Underwater Hub, and a further £2 million to develop the North Sea Transition Deal (2021).

## **SCOTLAND**

Scotland's *Climate Change (Emissions Reduction Targets) Act* (2019) included a set of just transition principles to guide climate action. The Scottish National Investment Bank Bill was amended to include reference to just transition principles. Scotland has established a Just Transition Commission, mandated to undertake broad consultations (2018). The Commission released its final report to Ministers in March 2021 with 24 recommendations for government consideration.

The Scottish government created the Just New Deal (2020): £3 billion package of investments from the Scottish National Investment Bank in order to attract just finance. Additional 2020-21 measures include: £1.6 billion to improve building efficiency and tackle fuel poverty; £100 million Just Job Fund; £60 million to help industrial/manufacturing sectors decarbonise and diversify; and, the expansion of public apprenticeship and undergraduate schemes to boost youth employment in nature-based jobs.

## **EUROPEAN UNION**

A European Green Deal (2019-2024) provides an action plan to: boost the efficient use of resources by moving to a clean, circular economy; restore biodiversity and cut pollution; outline investments needed and financing tools available; and, ensure a just and inclusive transition. The *Proposal for a Regulation of the European Parliament and of the Council establishing the Just Transition Fund* has been approved.

It established the Just Transition Fund to provide support to territories facing serious socio-economic challenges deriving from the transition process towards a climate-neutral economy of the European Union by 2050.

The EU has also established a Just Transition Platform to: provide technical and advisory support; share information, experience and knowledge for fossil fuel and carbon-intensive regions; and, help Member States prepare Just Transition Plans and access Just Transition Mechanism Funds (2020).

The European Just Deal Investment Plan, also referred to as Sustainable Europe Investment Plan, is the investment pillar of the European Just Deal. Part of the plan, the Just Transition Mechanism, provides targeted support to help mobilise at least €100 billion in private sector investment over the period 2021-2027 in the most affected regions, to alleviate the socio-economic impacts of the transition (2020). The Just Transition Mechanism is built on three pillars: (1) the Just Transition Fund, €40 billion for economic diversification, retraining and environmental rehabilitation in regions most impacted by energy transition; (2) InvestEU, €1.8 billion investment in a wider range of projects (e.g., energy and transport infrastructure); and, (3) public loan facility leveraged by the European Investment Bank, which is expected to mobilise €25 billion to €30 billion of public investment in areas such as energy and transport infrastructure, energy efficiency, and social infrastructure.

## **SPAIN**

Spain's "Plan del Carbón" (Coal Plan) will see the closure of all Spanish coal mines that are no longer economically viable (2018). Signed a strategic agreement with the International Labour Organisation to implement the Guidelines for a Just Transition (2018). *Climate Change and Energy Transition Bill* (2020) contains an obligation to adopt a five-year Just Transition Strategy.

The Spanish government established the Institute of Just Transition in March 2021, mandated with the preparation and implementation of the five-year Spanish Just Transition Strategy. A key implementation mechanism for the Just Transition Strategy is Just Transition Agreements, which serve as integrated regional action plans to support economic activity, diversification and employment in areas at risk from the phase-out of coal, including timelines for implementation.

Spain has made a €260 million investment in coal regions from 2019 to 2027. Measures include early pension for miners aged over 48, redeploying young workers into new work, funding for business initiatives and the economic development of affected regions and the environmental restoration of mined areas. The Institute of Just Transition announced €27 million to finance projects that generate employment and economic development in mining areas (April 2021).

## **GERMANY**

Germany's *Climate Action Plan 2050* sets out the plan to launch a commission to manage the phase-out of coal (2016). *The Act to Reduce and End Coal-Powered Energy and Amend Other Laws (2020)* aims to phase out coal power by 2038, with option to move to 2025 (2020). In addition, it amends the *German Renewable Energy Sources Act* to codify the goal to raise the percentage of renewables to 65 percent by 2030. Germany also aims to be nuclear-free by 2022.

On April 29, 2021, nine German youth won a lawsuit against the federal government citing that the country's climate change legislation put too much of a burden on future generations and didn't take enough responsibility in the present.

In response, on May 5, 2021, the German government announced a more ambitious plan – 65 percent cut in greenhouse gas emissions by 2030 and 88 percent by 2040. Under the new targets, Germany will also aim for nearly net-zero emissions by 2045, rather than 2050.

Launched in 2018, the German Commission on Growth, Structural Change and Employment published its report in 2019, which included a recommendation that the German government provide direct investment in employment opportunities for affected communities.

*The Structural Support for Coal Regions Act (2020)* provides lignite-coal regions with financial aid of up to €14 billion, up to €1.09 billion to hard-coal (anthracite) regions and up to €26 billion for further support measures, such as highway and rail infrastructure improvement or expansion and the creation of up to 5,000 additional jobs in federal agencies in the coal regions.

## **THE UNITED STATES**

President Biden's Executive Order on Tackling the Climate Crisis (January 2021) committed to a carbon pollution-free electricity sector no later than 2035. The Executive Order also formalized President Biden's commitment to environmental justice by directing federal agencies to develop programs, policies, and activities to address the disproportionate health, environmental, economic, and climate impacts on disadvantaged communities.

In early 2021, the Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization was established to coordinate an integrated, whole-of-government approach to supporting energy communities. On April 23, 2021, the Working Group released its initial report, which included recommendations for further government actions and investments.

The Executive Order also established a White House Environmental Justice Interagency Council and a White House Environmental Justice Advisory Council. The government-wide Justice40 Initiative aims to deliver 40 percent of the overall benefits of relevant federal investments to disadvantaged communities.

The Interagency Working Group identified nearly USD 38 billion in existing federal funding that could be accessed by energy communities. In connection with the report release, the Department of Energy announced USD 109.5 million in funding for innovative projects. This funding will be bolstered by the American Jobs Plan including: USD 20 billion investment in regional innovation hubs and a Community Revitalization Fund, USD 40 billion investment in a new Dislocated Workers Program and USD 16 billion plugging oil and gas wells and restoring and reclaiming abandoned coal, hardrock and uranium mines.

## Status of the Task Force on Just Transition for Canadian Coal Power Workers and Communities' Recommendations

### CONTEXT

- The Just Transition Task Force (JTTF) was an independent body established in 2018, tasked with providing advice to government following the decision to accelerate the phase-out of coal-fired electricity.
- The Task Force delivered its report in 2019. Although it welcomed the report, the Government never adopted the recommendations as government policy.
- Nine of ten recommendations are directly focused on “coal” and/or “affected” communities (which are located in Alberta, Saskatchewan, New Brunswick and Nova Scotia).
- Across NRCan, ESDC, PrairiesCan and ACOA, action is being taken in eight of the ten areas where the report recommended federal interventions, although not always exactly as described in the report.

### OVERALL KEY MESSAGES

- *The Just Transition Task Force was established in 2018 by the Minister of Environment and Climate Change as an advisory body, tasked with providing advice for the government to consider how best to support workers and communities as we phase out coal-fired electricity.*
- *The work of the Task Force helped lay the foundation for a just transition away from coal-fired electricity.*
- *The Government is investing \$185 million to strengthen workers and communities affected by coal transition, enabling its residents to pursue meaningful careers and enjoy a high quality of life for generations to come.*
- *Community-led projects are underway in all four provinces of Alberta, Saskatchewan, New Brunswick and Nova Scotia.*
- *The Government of Canada will continue to build on the advice of the task force and support Canadians as we transition to a net-zero economy.*

JTTF Recommendation	Status/Comments	Key Messages
<p>1. Develop, communicate, implement, monitor, evaluate, and publicly report on a just transition plan for the coal phase-out, championed by a lead minister to oversee and report on progress.</p> <ul style="list-style-type: none"><li>An independent multi-stakeholder advisory council, comprised of trusted representatives, would provide advice and oversight to the Government on just transition.</li></ul>	<p><b>Action being taken</b></p> <ul style="list-style-type: none"><li>NRCan is working with ACOA and PrairiesCan to monitor, coordinate and report on progress. NRCan’s just transition website showcases some projects funded under the Canada Coal Transition Initiative Infrastructure Fund (CCTI-IF), and will be updated on a regular basis.</li><li>NRCan is also exploring how the Government could continue to receive ongoing just transition advice from stakeholders and partners, such as through the proposed Regional Strategies or a stand-alone Just Transition Advisory Body, although the focus would be broader than the coal phase-out.</li></ul>	<ul style="list-style-type: none"><li>Measuring, monitoring and reporting on just transition programs is a regular part of our business, carried out under an annual reporting cycle to ensure transparency of how public funds are spent, and to inform Parliamentarians and Canadians of the results achieved by government organizations for Canadians.</li><li>The Departmental Results Reports for ACOA and Prairies Canada will continue to publish information on the Canada Coal Transition Initiative and Canada Coal Transition Initiative – Infrastructure Fund.</li><li>In addition, the Government of Canada will measure, monitor, and report on just transition outcomes and will develop a framework for measuring quantitative and qualitative outcomes of the coal phase-out on affected workers and communities.</li><li>Project snapshots of the Canada Coal Transition Initiative and Canada Coal Transition Initiative – Infrastructure Fund projects are available on NRCan’s just transition webpage.</li><li>As programming to support a just transition evolves, NRCan will work with ACOA, PrairiesCan and other departments and agencies to determine the most effective approach to future public reporting on just transition.</li><li>NRCan is also exploring how the Government could continue to receive ongoing just transition advice from stakeholders and partners, such as through the proposed Regional Strategies or a stand-alone Just Transition Advisory Body, with a broader focus beyond the coal phase out.</li></ul>

JTTF Recommendation	Status/Comments	Key Messages
<p><b>2.</b> Include provisions for just transition in federal environmental and labour legislation and regulations, as well as relevant intergovernmental agreements</p> <p>Examples from the Task Force’s report include:</p> <ul style="list-style-type: none"> <li>• equivalency agreements under the <i>Canadian Environmental Protection Act, 1999</i></li> <li>• infrastructure bilateral agreements</li> <li>• labour market development agreements</li> </ul>	<p><b>Action being taken</b></p> <ul style="list-style-type: none"> <li>• NRCan is proposing to embed just transition principles in legislation. The principles and to whom they would apply are under development through consultations.</li> <li>• ESDC <b>does not</b> currently have the mandate to include provisions for just transition in labour market development agreements. While the Government of Canada provides funding and sets parameters under the LMDAs and the WDAs, provinces and territories consult with labour market stakeholders in their jurisdictions to set priorities and inform the design and delivery of employment programs and services that meet the needs of their local labour markets.</li> </ul>	<ul style="list-style-type: none"> <li>• NRCan is currently consulting partners and stakeholders on legislation that could: <ul style="list-style-type: none"> <li>○ include people-centred just transition principles Government’s climate change action; and</li> <li>○ establish an external Just Transition Advisory Body</li> </ul> </li> <li>• Just transition principles will be informed by the International Labour Organisation’s Guiding Principles.</li> <li>• The application of these principles is under consideration.</li> </ul>
<p><b>3.</b> Establish a targeted, long-term research fund for studying the impact of the coal phase-out and the transition to a low-carbon economy</p>	<p><b>Action being taken</b></p> <ul style="list-style-type: none"> <li>• There are smaller scale studies/reports underway across government seeking to better understand the workforce implications of the transition to a low carbon economy, including as it relates to skills requirements.</li> <li>• Internationally, Canada (through ECCC) co-founded and is co-chairing the Powering Past Coal Alliance. The Alliance established a Just Transition Taskforce, which brings together academics, labour groups, and governments to share research and analysis along with best practices for a just transition away from coal-fired electricity.</li> <li>• Canada is collaborating with Germany to develop a joint study on just transition and structural change looking at potential pathways and measures to support structural change in fossil-fuel regions, including skill transferability of workers from thermal coal plants.</li> </ul>	<ul style="list-style-type: none"> <li>• Departments across the Government of Canada are collaborating on a multitude of research projects relevant to a just transition with partners both in the private sector as well as international organizations such as the International Energy Agency and the Organisation for Economic Co-operation and Development.</li> <li>• The purpose of these projects would be to develop further analysis and guidance on the key topics of just transition such as but not limited to <ul style="list-style-type: none"> <li>○ supporting people-centred clean energy transitions;</li> <li>○ understanding the labour market needs associated with clean energy transitions; and</li> <li>○ exploring the related training and education needs for maximising the job creation potential of clean energy policies.</li> </ul> </li> <li>• The Government of Canada is demonstrating leadership on the international stage and working with key partners to share best practices on how to ensure people-centred and inclusive clean energy transitions.</li> </ul>

JTTF Recommendation	Status/Comments	Key Messages
4. Fund the establishment and operation of locally-driven transition centres in affected communities	<p><b>Action being taken</b></p> <ul style="list-style-type: none"><li>• The Government invested \$35 million over 5 years (2018-19 to 2022-23) in the Canada Coal Transition Initiative (CCTI) to support skills development and help communities adapt to a low-carbon economy.</li><li>• PrairiesCan has consulted with affected communities to identify their priorities and support their transition and provided funding for transition centres where communities identified this need.</li><li>• There are currently 3 transition centres operating in Alberta and 2 in Saskatchewan.</li><li>• A number of other projects similar to transition centres have been approved in Western Canada.</li></ul> <p><b>Alberta (3 transition centres)</b></p> <ul style="list-style-type: none"><li>• PrairiesCan provided \$257,664 to create 2 fully operational transition centres located in <b>Forestburg and Castor</b>.</li><li>• These transition centres, which are known as the Battle River Innovation Centres (BRICs) support the coal-affected communities of the County of Paintearth No.18, Flagstaff County, the Towns of Castor and Coronation, and the Villages of Forestburg, Halkirk, and Heisler.</li><li>• These transition centres provide support for laid-off coal workers and community members by offering employment, business supports, training programs and entrepreneurial development.</li></ul>	<ul style="list-style-type: none"><li>• PrairiesCan has consulted with affected communities to identify their priorities and support their transition.</li><li>• Through the Canada Coal Transition Initiative, PrairiesCan provided funding for transition centres where communities identified this need.</li><li>• There are currently 3 transition centres operating in Alberta and 2 in Saskatchewan.</li><li>• These centres are helping former coal miners, generating station workers and community members with new employment and business support, training programs and entrepreneurial development services.</li></ul>



JTTF Recommendation	Status/Comments	Key Messages
	<ul style="list-style-type: none"><li>PrairiesCan also provided \$837,417 for a transition centre located in the <b>Town of Hanna</b> which supports the coal-affected communities of Hanna and the surrounding region.<ul style="list-style-type: none"><li>This transition centre supports businesses and entrepreneurs by establishing a single point of contact for business inquiries and entrepreneurship support.</li></ul></li></ul> <p><b>Saskatchewan (2 transition centres)</b></p> <ul style="list-style-type: none"><li>PrairiesCan provided \$677,880 for a transition centre which is operational in the <b>City of Estevan</b> which helps workers impacted by the closures of the coal mines and power generation facilities in the region<ul style="list-style-type: none"><li>This centre provides career counselling and mental health supports to workers and their families in both the Estevan and Coronach regions.</li></ul></li><li>PrairiesCan also provided \$213,000 to establish a business hub and transition centre located in the <b>Town of Coronach</b>.<ul style="list-style-type: none"><li>This centre provides business and IT training and a physical workspace for individuals, entrepreneurs and businesses in the region.</li><li>In addition to one-on-one services, the hub offers virtual training programs, such as online training for agricultural start-ups.</li></ul></li></ul>	

JTTF Recommendation	Status/Comments	Key Messages
<p>5. Create a pension bridging program for workers who will retire earlier than planned due to the coal phase-out</p>	<p><b>Action has not been taken to date by federal government</b></p> <ul style="list-style-type: none"> <li>Alberta has put in place pension bridging program for coal power workers.</li> </ul> <p><b>Why has action not been taking to date at the federal level:</b></p> <ul style="list-style-type: none"> <li>ESDC has not been mandated to create a pension bridging program and therefore did not implement this recommendation.</li> </ul>	<ul style="list-style-type: none"> <li>Canada has a strong income support system, including Employment Insurance (EI), which will continue to be there to support all Canadian workers who may be impacted by the transition to a low-carbon economy.</li> <li>Temporary measures announced in Budget 2021 helped facilitate greater access to a more simplified EI program for Canadians during the pandemic and subsequent waves of unemployment.</li> <li>Consultations announced in Budget 2021 on EI modernization are well underway to inform an EI program that better meets the current and future needs of workers and employers.</li> </ul>
<p>6. Create a detailed and publicly available inventory with labour market information pertaining to coal workers, such as skills profiles, demographics, locations, and current and potential employers</p>	<p><b>Action has not been taken to date</b></p> <p><b>Why has action not been be taken at the federal level?</b></p> <ul style="list-style-type: none"> <li>Statistics Canada leads on the collection of primary source data. Departments use this data for analysis.</li> <li>ESDC uses the models of the Canadian Occupational Projection System (COPS) and the National Occupational Classification (NOC, 2016 version) to project occupations that may face labour shortage or labour surplus conditions over the medium term. The department also conducts analysis of the Labour Market Survey. However, these sources do not include data on coal workers specifically.</li> <li>ESDC is only mandated to collect data through the evaluation reports of programming, completed and made public every five years.</li> </ul>	<ul style="list-style-type: none"> <li>Statistics Canada has a number of publicly available inventories that include labour market information such as skills profiles, demographics and locations (i.e. Labour Force Survey and National Occupational Classification).</li> <li>In addition, various departments including ESDC analyze this labour market information and project occupations that may face shortage or surplus conditions over the medium term.</li> <li>However, several occupations are too small (less than 10,000 workers across Canada) to be used for projection and analysis purposes. Coal workers are one of these occupations.</li> </ul>

JTTF Recommendation	Status/Comments	Key Messages
	<ul style="list-style-type: none"><li>• Since ESDC does not have programs tailored to coal workers and does not collect or track disaggregated data on topics as granular as coal workers, this recommendation is outside the mandate of ESDC.</li><li>• Regional organizations may be better placed to collect this data.</li></ul>	
<p><b>7. Create a comprehensive funding program for workers staying in the labour market to address their needs across the stages of securing a new job, including income support, education and skills building, re-employment, and mobility</b></p> <ul style="list-style-type: none"><li>• This fund could be a federal program or the Government could provide funding to the provinces to administer</li><li>• A single window would provide workers with multiple streams of support to address a broad range of needs</li></ul>	<p><b>Action being taken</b></p> <p>The following is a fulsome list of ESDC’s skills programming that could support workers affected by a transition to a low carbon economy, including coal workers, through income support, education and skills building, re-employment, and mobility:</p> <p><b>Sectoral Workforce Solutions Program (SWSP)</b> - Budget 2021 announced \$960 million over three years for the Sectoral Workforce Solutions Program (SWSP), with a priority focus on building talent for the clean economy. SWSP will help key economic sectors implement solutions to address current and emerging workforce needs.</p> <p><b>Union Training and Innovation Program (UTIP)</b> - This program has committed \$25M annually for union-based apprenticeship training, innovation and enhanced partnerships in the Red Seal trades. It also provides investments in training equipment and materials. The 2021 UTIP Stream 1 Call for Proposals prioritized projects that encouraged equipment and material purchases that support the development of environmental skills.</p> <p><b>Community Workforce Development Program (CWDP)</b> - Budget 2021 committed \$55 million over three years, starting in 2021-22 for the CWDP, which will help communities develop local workforce development plans, identify high growth areas, and connect</p>	<ul style="list-style-type: none"><li>• The Government of Canada provides over \$3 billion a year for individuals and employers to receive training and employment supports through bilateral labour market transfers with provinces and territories. Over a million individuals and employers benefit from training and employment supports funded by these agreements each year.</li><li>• While the Government of Canada provides funding and sets parameters under the labour market transfer agreements, provinces and territories consult with labour market stakeholders in their jurisdictions to set priorities and inform the design and delivery of employment programs and services that meet the needs of their local labour markets.</li><li>• ESDC is prioritizing dedicated streams of funding for projects that address the needs of workers affected by the transition to a low carbon economy within the Sectoral Workforce Solutions Program, the Union Training and Innovation Program the Community Workforce Development Program and the Skills and Partnership Fund.</li><li>• These projects will address a broad range of worker needs across the stages of securing a new job.</li></ul>

JTTF Recommendation	Status/Comments	Key Messages
	<p>employers/training providers to upskill/reskill jobseekers and workers. Funding will be delivered through multiple streams, including national stream focused on priority areas like de-carbonization and supporting a just transition for workers in transforming sectors like energy.</p> <p><b>Skills and Partnership Fund (SPF)</b> - As a complement to the Indigenous Skills and Employment Training program, the Skills and Partnership Fund (SPF) is a project-based fund that supports partnerships between Indigenous organizations and industry employers to provide skills training for Indigenous peoples linked to economic opportunities at the local, regional, and national level. The Green Economy is a priority area in the current Call for Proposals.</p> <p><b>Labour Market Transfer Agreements:</b> Each year, the Government of Canada provides over \$3 billion for individuals and employers to obtain skills training and employment supports through bilateral labour market transfers with provinces and territories. These include the Labour Market Development Agreements (LMDAs) and the Workforce Development Agreements (WDAs). Over a million individuals and employers benefit from training and employment supports funded by these agreements each year.</p> <p>The LMDAs - the larger of the two transfers - fund training and employment programs for current and former EI claimants, as well as individuals who have made minimum EI premium contributions in at least five of the last ten years. In addition, the LMDAs are used to fund employment assistance services for all individuals, regardless of their connection to EI.</p>	

JTTF Recommendation	Status/Comments	Key Messages
	<p>The WDAs, fund training and employment supports for individuals and employers regardless of their employment status, including those that have no ties to the EI program. The WDAs include specific funding targeted for persons with disabilities, and are used to support members of underrepresented groups. The agreements also allow to provide supports to employers seeking to train current or new employees.</p> <p>While the Government of Canada provides funding and sets parameters under the LMDAs and the WDAs, provinces and territories consult with labour market stakeholders in their jurisdictions to set priorities and inform the design and delivery of employment programs and services that meet the needs of their local labour markets.</p>	
<p>8. Identify, prioritize, and fund local infrastructure projects in affected communities</p>	<p><b>Action being taken</b></p> <ul style="list-style-type: none"><li>• The Government invested \$150 million over 5 years (2020 to 2025) in the CCTI-IF to help communities move away from coal by investing in infrastructure.</li><li>• As of April 2022, over \$46 million has been invested in 22 projects under the CCTI-IF.</li></ul>	<ul style="list-style-type: none"><li>• The Canada Coal Transition Initiative – Infrastructure Fund was launched on August 20, 2020 and is set to end on March 31, 2025.</li><li>• This \$150 million fund aims to help communities move away from coal by investing in infrastructure that will promote economic diversification.</li><li>• Eligible projects include the construction, renewal, rehabilitation, or enhancement of infrastructure and may include capacity supports to communities to identify and develop projects.</li><li>• As of April 2022, over \$46 million has been invested in 22 projects under the CCTI-IF in Alberta, Saskatchewan, Nova Scotia and New Brunswick.</li></ul>

JTTF Recommendation	Status/Comments	Key Messages
<p><b>9.</b> Establish a dedicated, comprehensive, inclusive, and flexible just transition funding program for affected communities</p> <ul style="list-style-type: none"><li>Communities need new funding for a variety of purposes, including undertaking planning activities like feasibility studies, community workshops, and action plans</li><li>Managed by a trusted partner like the Federation of Canadian Municipalities, this fund would offer a single window for communities to access supports, with multiple streams that address the range of needs</li></ul>	<p><b>Action being taken</b></p> <ul style="list-style-type: none"><li>The CCTI and CCTI-IF are dedicated programs for affected communities that fund a variety of projects to diversify local economies, including supporting the development of action plans, etc.</li><li>PrairiesCan and ACOA work directly with municipalities/communities to deliver funding through a community-driven approach.</li></ul>	<ul style="list-style-type: none"><li>Transitioning to a low-carbon economy is a priority of the Government of Canada, to protect our health, our environment and our economy.</li><li>The Government of Canada is investing in communities across Alberta, Saskatchewan, Nova Scotia and New Brunswick to support economic diversification and infrastructure needs as they transition away from coal.<ul style="list-style-type: none"><li>Projects include feasibility studies, community workshops and action plans</li></ul></li><li>As of April, 2022, the Regional Development Agencies have invested over \$75 million in 72 projects across Alberta, Saskatchewan, New Brunswick and Nova Scotia.</li></ul>
<p><b>10.</b> Meet directly with affected communities to learn about their local priorities and to connect them with federal programs that could support their goals</p> <ul style="list-style-type: none"><li>Affected communities would benefit from government-initiated discussions regarding opportunities to access existing funds, services, and programs.</li></ul>	<p><b>Action being taken</b></p> <ul style="list-style-type: none"><li>Work is ongoing, with PrairiesCan and ACOA leading direct engagement with communities.</li></ul>	<ul style="list-style-type: none"><li>The delivery of the CCTI and CCTI-IF by PrairiesCan and ACOA is tailored specifically to address the diversification of affected communities in New Brunswick, Nova Scotia, Alberta and Saskatchewan.</li><li>ACOA and PrairiesCan worked closely with communities during the planning for the Just Transition Task Force consultations.</li><li>Leveraging their regional knowledge and relationships, ACOA and PrairiesCan were conduits linking the Task Force with key stakeholders who could offer insight into the unique circumstances facing the affected communities.</li></ul>

JTTF Recommendation	Status/Comments	Key Messages
		<ul style="list-style-type: none"><li>• A cornerstone of regional development is engaging with the communities and supporting community-identified projects.<ul style="list-style-type: none"><li>○ ACOA and PrairiesCan are uniquely positioned to understand and respond to community needs, since they are embedded in affected communities, meeting regularly with community leaders, partners and stakeholders.</li></ul></li><li>• The Government of Canada is dedicated to listening to the needs communicated by coal-affected communities to transition to a sustainable economy</li></ul>

# Canada Coal Transition initiative (CCTI) and Canada Coal Transition Initiative-Infrastructure Fund (CCTI-IF)

## Project Snapshots

### Prairies Economic Development Canada is funding/has funded:

#### ALBERTA

**\$1.5 million** to the **Harvest Sky Region Business Development Initiative** to help communities in Southeast Alberta's Harvest Sky Region (Cactus Corridor) attract investment, expand local businesses and create jobs (to be completed March 2023)

- This project will fund **feasibility studies**, which will include labour force and infrastructure assessments, red tape reduction strategies, land inventory, and educational resource requirements.

**\$17.7 million** to complete **the Nisku Spine Road** in Leduc County (to be completed March 2023)

- The north-south roadway, once fully constructed, will **increase the accessibility of high-volume transportation** between key areas. Benefits flowing from this project are expected to include: the creation of approximately 950 local jobs, attracting up to 60 businesses.

**\$70,000** to explore **repurposing a local recreation centre into a business support facility** in Leduc County (completed November 2020)

- This feasibility study **identified gaps in business support for the region**, completed economic analysis and the potential for delivering business support programming.

**\$837,417** for a **transition centre located in the Town of Hanna**, which supports the coal-affected communities of Hanna and the surrounding region.

- This transition centre **supports businesses and entrepreneurs** by establishing a **single point of contact** for business inquiries and entrepreneurship support.



**\$257,664** to create **two operational transition centres located in Forestburg and Castor**. These transition centres, which are known as the Battle River Innovation Centres (BRICs) support the coal-affected communities of the County of Paintearth No.18, Flagstaff County, the Towns of Castor and Coronation, and the Villages of Forestburg, Halkirk, and Heisler.

- These transition centres provide **support for laid-off coal workers and community members** by offering employment, business supports, training programs and entrepreneurial development.

## SASKATCHEWAN

**\$800,000** to fund a **Heavy Equipment Operator** program in Estevan (project completed March 31, 2022)

- Southeast College **provides retraining in jobs that will continue to be demand** in others sectors throughout the region (oil and gas, construction, agriculture and highway infrastructure).
- Through this project, the college acquired necessary equipment and trained thirteen participants.

**\$677,880** for **a transition centre in Estevan**, which helps workers impacted by the closures of the coal mines and power generation facilities in the region

- This centre **provides career counselling and mental health supports** to workers and their families in both the Estevan and Coronach regions.

**\$213,000** to **establish a business hub and transition centre in the Town of Coronach**.

- This centre provides **business and IT training and a physical workspace** for individuals, entrepreneurs and businesses in the region. In addition to one-on-one services, the hub **offers virtual training programs**, such as online training **for agricultural start-ups**.

## Atlantic Canada Opportunities Agency is funding/has funded:

### NEW BRUNSWICK

**\$980,000** to the **CBDC Chaleur Economic Diversification Initiative** (to be completed August 2023).

- This project will support the development of a small- and medium-sized enterprise (SME) diversification initiative to assist the Glencore Smelter and Trevali supply chain companies in acquiring new skills, identifying new fabrication and manufacturing opportunities, tooling up and improving productivity.

**\$1.7 million** to the **Port of Belledune Master Development Plan and Green Energy Hub** (to be completed May 31, 2022)

- This project will position the Port as a Green Energy Hub for industrial expansion and new job creation over the next decade
- Will expand the scope of its services and client base, with the goal of achieving a more diversified clientele and handling greater volumes of cargo.

**\$2.5 million** to QSL/the Quebec Stevedoring Company Ltd. to build a **new wood pellet warehouse** and to undertake major technology improvements to the pellet shiploading conveyor system at Terminal 3 of the Port of Belledune (to be completed May 31, 2022)

- This project will increase the capacity to ship wood pellets made in New Brunswick to markets around the world and mitigating the impacts of a future coal phase-out on workers and communities in **Belledune** and the surrounding region.

### NOVA SCOTIA

**\$300,000** to **Ignite Labs**, an incubator space for rural-based technology companies to grow to the commercialization phase (to be completed summer 2022)

- This two-year pilot project involves the establishment of a new location in Pictou County, an area traditionally dependent on coal. Ignite Pictou offers an array of services and support to new and early-stage enterprises in **northeastern Nova Scotia**.

- Ignite Pictou has exceeded its stated target to support at least 10 start-up companies during its initial two years of operation, with 20 companies assisted to date.

**\$750,000** to position **the Verschuren Centre** as a bioprocessing hub. This project aims to build incremental capacity in bioreactor technologies to increase supply services for new biotech companies at critical stages of pre-commercialization (completed summer 2021)

- By giving these companies a place to build on early research, the Centre is helping them move their products to the commercialization stage, thereby creating new jobs and wealth in a high-tech field and diversifying the local economy.
- The centre has effectively created a new bioscience cluster of companies in Cape Breton.

**\$1.3 million** for the **expansion of the Protocase Incorporated** “45 Drives” Division (completed summer 2021)

- This expansion has enabled Protocase to keep up with the growing demand for its products, including fully customized electronic enclosures, mounting fixtures, and accessories for a wide range of corporate clients.
- The company is a significant local employer in Cape Breton with over 300 employees.

## N. LABOUR PROGRAM - QUESTIONS AND ANSWERS

### Q1. What sectors and regions will be most affected by a transition to a low-carbon economy?

- The transition to a low-carbon economy will have an uneven impact across sectors, occupations, and regions, and create significant labour market disruptions.
- We expect that larger-scale transformations will take place in agriculture (about 292,000 workers; 1.5% of Canada's employment), energy (about 202,000 workers; 1% of Canada's employment), manufacturing (about 193,000 workers; 1% of Canada's employment), buildings (about 1.4 million workers; 7% of Canada's employment) and transportation sectors (about 642,000 workers; 3% of Canada's employment), to help meet the Government's emission reduction targets.
- Some regions, particularly in Alberta, Saskatchewan and Newfoundland and Labrador, where communities are more reliant on carbon intensive industries, will likely be disproportionately affected by the transition to a low carbon economy.
  - If pressed: *The oil and gas sector in particular is a large contributor to the GDP of Alberta and Newfoundland, at 27.3% and 36.2% respectively, affecting about 187,000 workers in Alberta and 13,300 workers in NL, compared to less than 3% in any other province.*
- I want to help workers across Canada by providing them with training and skills development so they can take advantage of new opportunities for economic growth and job creation and fully participate in a low-carbon economy.

### Q2. Will workers need to focus on reskilling or upskilling to adapt to a new labour market following the transition to a low-carbon economy?

- Innovation in the green economy will require a core workforce with the latest training in emerging technologies and/or a different mix of skills and knowledge, which may cumulate in new green occupations.
- However, not all jobs will require completely new skill sets.
- Skills requirements for "green" jobs will vary, necessitating innovative, agile, and nimble training approaches.
  - Some jobs will require extensive green skills or knowledge (i.e. environmental impact assessor or a sustainability manager at a company).
  - Some jobs will require workers to have some green skills to perform their job (i.e. an accountant at an environmental firm or a heating, ventilation and air conditioning sales representative).
  - Some green jobs will not require workers with green skills to perform their jobs (i.e. janitor or driver working for a solar energy company).

- Some occupations within key sectors have transferrable skills that will still be in high demand in a low carbon economy (i.e. engineers, technicians, meteorologists) while other skills are less transferable (i.e. miners).

### **Q3: How will ESDC support workers in adapting to a low-carbon economy?**

- Employment and Social Development Canada has a large suite of skills and employment programming and we are currently exploring how these programs can also be leveraged to support a transition to a low carbon economy. For example,
  - The **Sectoral Workforce Solutions Program**, that will support the design and delivery of training and human resources solutions that are relevant to the needs of businesses, especially small and medium-sized businesses, as well as help recruit and retain a diverse and inclusive workforce, with a priority to build talent for the low carbon economy.
  - The new **Community Workforce Development Program**, which plans to support communities in developing local plans that identify high growth areas and connect employers with training providers to upskill and reskill jobseekers, with a priority focus on decarbonisation;
  - The **Union Training and Innovation Program**, which aims to improve the quality of training in the skilled trades, included a priority in their last call for proposals for equipment and material purchases that support the development of environmental skills in the Red Seal trades; and
  - The **Labour Market Development Agreements and the Workforce Development Agreements** with provinces and territories that support Canadian workers looking to re-enter the workforce, particularly those in hard-hit sectors.

### **Q4: How will the Sectoral Workforce Solutions Program support Canadians in obtaining the skills they need for a just transition?**

- The Sectoral Workforce Solutions Program is well placed to contribute to the Just Transition as it supports key sectors of the economy, including sectors linked to the low carbon economy, implement solutions to address current and emerging workforce needs, through training and upskilling initiatives. It will also help workers transition from sectors in decline to high growth sectors.
- The Program funds sectoral projects that support workers and employers through a wide-range of activities:
  - Training and reskilling to help workers gain new skills to meet the needs of employers and transition to in-demand jobs in key sectors.
  - Helping employers - in particular small and medium-sized businesses - attract and retain a skilled and innovative workforce.

- Initiatives to help equity-deserving groups get the skills they need to find work and succeed in key sectors.
- Other creative solutions, standards and tools to address sectoral labour market needs.
- The SWSP just closed a Call for Proposals on March 18, 2022. It focused on building talent for the clean economy, investing in the health sector, and supporting demand-driven solutions for sectors hardest hit by the pandemic and those key to recovery. Projects should start in summer 2022.

**Q5. What is the Labour Program and ESDC's roles in the just transition to a low carbon economy?**

- The Labour Program and ESDC are responsible for supporting Natural Resources Canada in advancing legislation to support the future livelihood of workers and their communities in their transition to a low-carbon economy.
- They are also responsible for addressing gaps in training and upskilling to ensure that all Canadian workers can take advantage of sustainable battery industry opportunities, and exploring options to launch a new Clean Jobs Training Centre.

**Q6. Budget 2022 proposed a federal measure to support mid-career workers navigating the transition to the 21<sup>st</sup> century. Can you please tell us more about it?**

- Yes, Budget 2022 proposed to provide up to \$2.5 million to ESDC to establish a table with unions and trade associations to advise on priority investments that help skilled, mid-career workers affected by industry transition.
- This union-led advisory table is complementary to but connected to ongoing consultations led by the Minister of Natural Resources.
- Results are to inform future investments to help workers transition to in-demand jobs
- The work of the union-led advisory table is expected to be completed by December 2022.

**Q7. Do you agree with the findings and recommendations of the OAG report?**

- Yes, I agree with and welcome the OAG recommendations and the Government is currently examining how to act on them.

**Q8. Can you give us some examples of current work in this area?**

- In order to help Canadians meet the changing needs of industry and transition to a low-carbon economy, ESDC has just completed a Call for Proposals under the Sectoral Workforce Solutions Program (SWSP).

- An investment of about \$690M over two years will help workers and employers by supporting projects that address current and emerging workforce needs in key sectors, with a priority focus on building talent for the clean economy.
- As part of this funding, up to \$138 million will be invested in successful projects that contribute to Canada's Climate Action Plan and Just Transition by supporting workforce development needs in sectors that are involved in protecting the environment, oceanic or aquatic ecosystems, managing natural resources and/or contributing to the low carbon economy.
- The Community Workforce Development Program and the Union Training and Innovation Program have also started prioritizing projects related to the clean economy.

#### **Q9. What is the Sectoral Workforce Solutions Program?**

- The Sectoral Workforce Solutions Program (SWSP) is a contributions program that helps key sectors of the economy, including the clean energy sector, by funding industry-driven activities that support a diverse and qualified supply of workers.
- The Program will help workers through training and reskilling, and help employers, particularly small and medium-sized enterprises, attract and retain a skilled workforce.

#### **Q10. Why were no specific programs or benefits developed for coal workers and communities?**

- No specific programs or benefits were developed for coal workers and communities.
- However, Employment Insurance (EI) continues to be there to support all Canadian workers who may be impacted by the transition to a low-carbon economy.
- Additionally, every year, the federal government invests more than \$3 billion in funding so the provinces and territories can provide training and employment support through the Labour Market Transfer Agreements. These investments help more than one million Canadians each year prepare for their next job through programs ranging from skills training and wage subsidies, to career counselling and job search assistance.
- Skills for Success, a new skills training program is also available to help Canadians improve their foundational skills so they can find and keep good jobs. The program will provide training to nearly 90,000 Canadians and help get them back to work.

- The Government of Canada is investing nearly \$1 billion annually in apprenticeship supports through grants, loans, tax credits, Employment Insurance benefits during in-school training, project funding, and support for the Red Seal program. Announced in Budget 2019, the Canadian Apprenticeship Strategy will strengthen existing apprenticeship supports and programs by helping apprentices and key apprenticeship stakeholders, including employers, to participate and succeed in the skilled trades.
- And Budget 2022 proposed to amend Part II of the *Employment Insurance Act* so more workers are eligible for help before they become unemployed, and employers can receive direct support to re-train their workers.



# O. Labour Program – Management Response to CESD Audit on Just Transition

## EMPLOYMENT AND SOCIAL DEVELOPMENT CANADA DETAILED ACTION PLAN to the recommendations of the Office of the Auditor General Performance Audit of *Just Transition to a Low-carbon Economy*.

To note: NRCan and ESDC are proposing submitting a joint (i.e. identical) response to recommendations 30, 33 and 36

Report Ref. No.	OAG Recommendation	Management Response	Description of Final Expected Outcome/Result	Expected Final Completion Date	Key Interim Milestones (Description/Dates)	Responsible Organization/ Point of Contact (Name, Position, Tel #)	Indicator of Achievement (For PACP Committee Use Only)
Para 30	<p>Natural Resources Canada (NRCan), with the support of Employment and Social Development Canada (ESDC), should define how the federal government will support workers and communities in a just transition to a low-carbon economy. NRCan should</p> <ul style="list-style-type: none"><li>Outline the federal government's approach to supporting a just transition to a low-carbon economy</li><li>Develop an engagement strategy that includes key stakeholders that represent the diversity of affected workers and communities</li><li>Review the federal programming to determine how existing federal policies and programs can contribute to a just transition for workers and communities</li><li>Undertake a gap analysis to determine which policies and programs should be scaled-up to support a just transition</li></ul>	<p><b>AGREE</b></p> <p>Action to deliver on this recommendation is underway, under the leadership of Natural Resources Canada (NRCan) and Employment and Social Development Canada (ESDC).</p> <p>NRCan, with the support of ESDC, will continue to share information on Canada's approach to advance a just transition to a low carbon economy through its website and the consultations on just transition legislation.</p> <p>NRCan, with the support of ESDC, developed an engagement strategy to support the delivery of the government's commitment to just transition legislation. Starting in March 2022, NRCan and ESDC will consult Canadians, key stakeholders, provinces and territories and Indigenous groups. The expected completion date is May 2022.</p> <p>NRCan, in collaboration with relevant federal departments, will continue to review federal programming to determine how existing policies and programs can contribute to a just transition for workers and communities, for example, as seen on the just transition website. The department will also collaborate with provinces, territories and other partners in regions across Canada to identify and advance key economic opportunities, and set the course for sustainable jobs as Canada moves to a low carbon economy.</p>	<p>NRCan and ESDC have defined how the federal government will support workers and communities in a just transition to a low carbon economy.</p>	<p>Partially completed, timing for legislation outside the control of Natural Resources Canada.</p>	<p><u>Outline Federal Approach</u> Information on Canada's approach to advance a just transition to a low carbon economy will continue to be communicated through NRCan's website.</p> <p>(Website established in July 2021, additional information on Canada Coal Transition Initiative Projects published in April 2022, further updates on government actions page expected June 2022).</p> <p>Information sharing between government departments is being facilitated through the creation of a DG Interdepartmental Working Group (completed March 2022) and the creation of a working group on Employment and Skills under the Deputy Ministers' Committee on Climate Plan Implementation.. (completion date June 2022).</p> <p><u>Develop an Engagement Strategy</u></p> <p>Natural Resources Canada, with the support of Employment and Social Development Canada, developed an engagement strategy to support the delivery of the government's commitment to just transition legislation and obtain feedback on the government's commitment to launch a</p>	<p><u>NRCAN</u></p> <p>Cori Anderson, Director,</p> <p>Danica Vaillancourt, Director General</p> <p>Regional Strategies Office, Energy Systems Sectors</p> <p><u>ESDC</u></p> <p>Jacinthe Arsenault, Director</p> <p>Chris Bates, DG Apprenticeship and Sectoral initiatives</p>	

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		<p>ESDC continues to review and implement programs that respond to current and emerging labour market needs. For example, through Budget 2021, the Government invested \$960M over three years to help key sectors of the economy, with a priority on supporting the low carbon economy, by funding industry-driven activities that support a diverse and qualified supply of workers. The Program will help workers transition to sectors in demand through training and reskilling, and help employers attract and retain a skilled workforce (ongoing).</p> <p>NRCan will continue its review of federal government programming, consider feedback received through ongoing consultations and through coordinated information exchange across the federal government. The expected completion date is August 2022.</p>			<p>Clean Jobs Training Centre. (completed).</p> <p>Starting in July 2021, and re-launching in March 2022, Natural Resources Canada and Employment and Social Development Canada held consultations with key stakeholders including labour, industry, youth, academia and NGOs, experts in skills and training, diversity and inclusion, associations and with coal communities in transition. (expected completion date is May 2022)</p> <p>A What We Heard Report will be published following the conclusion of consultations (expected completion date is Fall 2022)</p> <p>Continued engagement and consultation will be required moving forward and will be determined once legislation has passed (date of completion for legislation is unknown-outside of the control of Natural Resources Canada) The Regional Energy and Resources Tables will provide one key forum in which Natural Resources Canada, collaborating with other federal departments, will work with provinces and territories to ensure that skills development and labour market issues related to the clean economy are addressed (will launch in 2022 and is currently funded until 2025).</p> <p><u>Review federal programming</u></p> <p>Natural Resources Canada, in collaboration with relevant federal departments, will continue to review</p>		

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					<p>federal programming to determine how existing policies and programs can contribute to a just transition for workers and communities—for example, as seen on the just transition website (this work is continuously occurring - no set end date).</p> <p>NRCan will also collaborate with provinces, territories and other partners in regions across Canada to identify and advance key economic opportunities, and set the course for sustainable jobs as Canada moves to a low carbon economy through the development of place-based economic strategies through the Regional Energy and Resources Tables (commencing in spring 2022, and funded until 2025).</p> <p>Employment and Social Development Canada continues to review and implement programs that respond to current and emerging labour market needs. For example, the Sectoral Workforce Solutions Program, the Community Workforce Development Program, the Union Training and Innovation Program, and the Skills and Partnership Fund are prioritizing funding to support the clean economy. These programs will help workers transition to sectors in demand. (ongoing)</p>		
Para 33	To enable a coordinated approach to planning and implementing a just transition for Canadians, Natural Resources Canada, with the support of ESDC, should formalize a governance structure to ensure that all relevant federal departments and agencies have clear roles, responsibilities, and accountabilities	<p><b>AGREE</b></p> <p>Currently, NRCan, ESDC and other federal departments meet on a regular, ad-hoc basis. NRCan will establish a governance structure to coordinate and advance just transition through the creation of a Directors General interdepartmental group, governed by Terms of Reference outlining roles, responsibilities and accountabilities. Furthermore, ESDC and NRCan will establish a Directors Working Group on Skills, Talent and Employment under the Deputy Ministers’</p>	NRCan and ESDC have formalized a formal governance structure to advance the federal support for a just	Partially completed. Natural Resources Canada has established a governance structure to coordinate and		<p><u>NRCAN</u></p> <p>Cori Anderson, Director,</p> <p>Danica Vaillancourt, Director General</p>	

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	for advancing the federal support for a just transition to a low-carbon economy.	<p>Committee on Climate Plan Implementation. The Committee is expected to start meeting in May 2022.</p> <p>ESDC established a Green Hub, which leads and coordinates information sharing and collaboration on Climate Change action and Just Transition within the Department.</p>	transition to a low-carbon economy.	<p>advance just transition through the creation of a <b>Directors’ General Interdepartmental Working Group</b>, governed by terms of reference outlining roles, responsibilities and accountabilities (completed – group established March 2022).</p> <p>NRCan will co-lead the Directors Working group on Employment and Skills when its operations commence (expected in June, 2022).</p>		<p>Regional Strategies Office, Energy Systems Sectors</p> <p><u>ESDC</u></p> <p>Jacinthe Arsenault, Director</p> <p>Chris Bates, DG Apprenticeship and Sectoral initiatives</p>	
Para 36	Natural Resources Canada, with the support of ESDC, should work with relevant federal organizations to determine an approach to measure, monitor and report on progress towards a just transition to a low-carbon economy. This approach should:	<p><b>AGREE</b></p> <p>Currently, the Government collects data and reports on its Grants and Contributions programs, including through comprehensive evaluation reports completed and made public every five years. The next Sectoral Workforce Solutions Program (SWSP) summative evaluation is expected to include a focus on the Clean Economy priority and other projects most relevant to a Just Transition. This data could support just transition reporting, particularly on key skills and the</p>	An approach to measure, monitor and report on progress toward a just transition to a low carbon economy has been determined.	Partially completed, work to further refine approach is ongoing	Natural Resources Canada, Employment and Social Development Canada and other relevant federal departments will continue working to improve labour market data (on topics such as, sectors, skills and occupations). This will be supported by sharing relevant results and evaluation information related to ongoing skills	<p><u>NRCAN</u></p> <p>Cori Anderson, Director,</p> <p>Danica Vaillancourt, Director General</p>	

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	<ul style="list-style-type: none"> <li>Establish what data is needed related to sectors, skills, occupations, and the diversity of workers and communities</li> <li>Develop the tools for measuring and monitoring affected workers and communities</li> <li>Establish public reporting requirements for measuring progress towards a just transition for workers and communities to a low carbon economy</li> </ul>	<p>diversity of workers. ESDC will share relevant data with appropriate governance structures where applicable.</p> <p>NRCan, ESDC and other relevant federal departments will determine an approach to measure, monitor, and report on progress towards a just transition to a low carbon economy. This will include continuing work to improve labour market data (e.g. sectors, skills and occupations) with key partners, including through sharing relevant results and evaluation information related to ongoing skills programming (e.g. the SWSP – Clean Economy priority, the Community Workforce Development Program and Skills for Success).</p> <p>NRCan and ESDC will work with other relevant federal entities to further develop tools required to measure and monitor labour market trends across the country.</p> <p>NRCan and ESDC will develop advice to the government regarding measuring progress towards a just transition for workers and communities to a low carbon economy.</p>			<p>programming (such as but not limited to the Sectoral Workforce Solutions Program’s clean economy priority, the Community Workforce Development Program and Skills for Success). (ongoing)</p> <p>Natural Resources Canada and Employment and Social Development Canada will work with other relevant federal entities to further develop tools required to measure and monitor labour market trends across the country (ongoing).</p> <p>The Directors <b>Working Group on Employment and Skills</b> under the Deputy Ministers’ Committee on Climate Plan Implementation will work collaboratively to identify skills needs, support innovative training approaches and foster information sharing.</p> <p>The working group will deliver on this mandate by reviewing and sharing labour market information, gathering data, undertaking analysis on labour supply/demand and labour market outcomes, existing federal programming, developing diagnostic materials and providing recommendations on skills, jobs and training needed for the transition to an inclusive low carbon economy (to be formally established June, 2022)</p> <p>Natural Resources Canada and Employment and Social Development</p>	<p>Regional Strategies Office, Energy Systems Sectors</p> <p><u>ESDC</u></p> <p>Jacinthe Arsenault, Director</p> <p>Chris Bates, DG Apprenticeship and Sectoral initiatives</p>	

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					Canada will develop advice to the government regarding measuring progress towards a just transition for workers and communities to a low-carbon economy (estimated date of completion Fall 2022/Winter 2023)		
Para 58	To better integrate just transition principles in federal programs, the Atlantic Canada Opportunities Agency, Prairies Economic Development Canada, and Employment and Social Development Canada should work with Natural Resources Canada to establish the federal government's approach, which could include the design of new federal programs, and leverage existing mechanisms to support a just transition to a low-carbon economy that meets the diverse needs of affected workers and communities.	<p><b>AGREE</b></p> <p>ESDC will work with NRCan and RDAs to leverage existing mechanisms to support a just transition to a low carbon economy. As mentioned under para 30, the Government has made a significant investment through the SWSP to help key sectors of the economy, with a priority on building talent for the low carbon economy. ESDC is also currently working on a mandate commitment to launch a Clean Jobs Training Centre to help workers across key sectors and occupations, improve or gain new skills in order to be on the leading edge of the zero carbon industry.</p> <p>ESDC leverages flexibilities within existing programs to support priorities such as the low carbon economy. For example, the Union Training and Innovation Program launched a Call for Proposals in August 2021 that prioritized the purchase of equipment and material that support the development of skills for the low carbon economy.</p>	Leverage existing skills programming to prioritize support for workers affected by the transition to a low carbon economy. In addition, implement current mandate commitments that support a just transition, such as launching the Clean Jobs Training Center.	Ongoing	<p>ESDC has a suite of skills programming that promotes skills development, enhances labour market participation, and supports an inclusive, resilient and effective labour market. Many ESDC programs have been exploring how to support workers and communities affected by the transition to a low carbon economy, while supporting the implementation of Canada's Climate Plan. The following programs have prioritized support for the clean economy in their most recent policy developments.</p> <p>Sectoral Workforce Solutions Program (SWSP) - SWSP will help key economic sectors implement solutions to address current and emerging workforce needs. The 2022 CFP is prioritizing projects on building talent for the clean economy. (CFP closed March 2022, projects could begin summer 2022)</p> <p>Skills and Partnership Fund (SPF) - The SPF is a project-based fund that supports partnerships between Indigenous organizations and industry employers to provide skills training for Indigenous people. The clean economy was a priority area in the latest Call for Proposals. (CFP closed May 2022, projects could begin in 2022-2023 fiscal year)</p> <p>Union Training and Innovation Program (UTIP) - This program supports union-based apprenticeship training in the Red</p>	<p><u>ESDC</u></p> <p>Jacinthe Arsenault, Director</p> <p>Chris Bates, DG Apprenticeship and Sectoral initiatives</p>	

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					<p>Seal trades. It also provides investments in training equipment and materials. The 2021 Call for Proposals prioritized projects that encouraged equipment and material purchases that support the development of environmental skills. (CFP closed September 2021, projects were launched February 2022)</p> <p>Red Seal Program - The Red Seal Program sets common standards to assess the skills of tradespeople across Canada. The Red Seal Program is working with industry stakeholders in the skilled trades to add “green” learning objectives to the national occupational standards for the Red Seal trades. In the next year, the Red Seal Program has targeted specific construction trades to examine and develop more learning objectives related to green construction. (expected to be completed early 2023)</p> <p>Community Workforce Development Program (CWDP) - The CWDP will help communities with local workforce development plans that identify high growth areas and connect employers and training providers to upskill and reskill jobseekers and workers to fill emerging jobs. The program is a pilot that will test innovative community-based approaches that aim to address regional and national priorities such as de-carbonization and supporting a just transition for workers in transforming sectors such as energy. (upcoming)</p> <p>ESDC is leveraging NRCan’s public consultations on a just transition to seek stakeholders’ views on the proposed Clean Jobs Training Centre. These discussions will be key to informing the</p>		



Report Ref. No.	OAG Recommendation	Management Response	Description of Final Expected Outcome/Result	Expected Final Completion Date	Key Interim Milestones (Description/Dates)	Responsible Organization/ Point of Contact (Name, Position, Tel #)	Indicator of Achievement (For PACP Committee Use Only)
					path forward for the launch of the Centre. (ongoing)		
Para 63	<p>Natural Resources Canada, the Atlantic Canada Opportunities Agency, and Prairies Economic Development Canada, with the support of Employment and Social Development Canada, should work together to measure, monitor and report on just-transition outcomes. This would include:</p> <ul style="list-style-type: none"><li>Establishing indicators and determining data requirements to measure and monitor the long-term effects of the coal-phase out on affected workers and communities</li><li>Tracking progress based on indicators aligned with the Canadian Indicator Framework for the Sustainable Development Goals that reflect the diversity of directly and indirectly affected workers and communities</li><li>Establishing results to be achieved for workers and communities that support a just transition to a low-carbon economy</li><li>Establishing a reporting schedule to publically report on the outcomes of the just transition programs</li></ul>	<p><b>AGREE</b></p> <p>As mentioned under para 36, ESDC can contribute to the overall just transition reporting by sharing data and analysis collected through internal program performance measurement and evaluation. The Department is working on developing a Performance Information Profile on SWSP, which will produce relevant data on its low carbon economy priority. ESDC will collect data from funding recipients through Quarterly Reports, such as the number of participants who complete training or transition initiatives, including those from equity-deserving groups; number of employers that report being better able to recruit skilled workers in targeted sectors; and number of participants employed following participation in a project.</p> <p>Also as part of the SWSP performance measurement process, ESDC will use Statistics Canada's Labour Force Survey to track participation and vacancy rates in targeted sectors. Though this data will be high level, it may help inform future skills investments.</p>	Support NRCan and regional development agencies by sharing data collected through the evaluation activities of ESDC's skills programming, and analysis conducted as part of ongoing labour market tracking.	Ongoing	<p>NRCan has committed to working with federal partners to determine the most effective approach to future public reporting on just transition programs, including schedule and mechanisms.</p> <p>ESDC will have a supporting role in this work by facilitating information sharing and consolidating key data from various skills program evaluation activities, such as the number of participants who complete training and the number of participants employed following participation in a project.</p> <p>ESDC will review labour supply/demand and labour market outcomes using StatsCan data and share its analysis with interested parties.</p> <p>One forum that could be used to discuss these topics is the Working Group on employment and skills that ESDC is working to establish under the Deputy Ministers' Climate Plan Implementation Committee. (working group to be launched June 2022)</p> <p>Relevant government departments will collaborate through Director and Director General-level Interdepartmental Working Groups, which have as one of their tasks the establishment of indicators and data requirements to measure and monitor the effects of the transition to a low carbon economy on workers and communities, utilizing expertise found through available data, Canada Coal</p>	<p><u>ESDC</u></p> <p>Jacinthe Arseneault, Director</p> <p>Chris Bates, DG Apprenticeship and Sectoral initiatives</p>	



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					Transition Initiaive (CCTI) and the CCTI-Infrastructure Fund program evaluations, and the Government of Canada's definition of Just Transition. The DG level group started meeting in the Spring of 2022 and the director level group will be formally established in June, 2022.		