

# Intelligence MEMOS



From: Grant Sprague

To: Canadians Concerned about Climate Change

Date: December 14, 2023

Re: **FRAMEWORKS AND EMISSION CAPS: ANOTHER NO-CONSULTATION OTTAWA INITIATIVE**

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Our federal environment minister went to Dubai for COP and all we got was a framework on an oil and gas emissions cap. No matter how the details of this “cap” and framework end up, there are a few things that need to concern Canadians.

First, the announcement reflects the now-predictable federal approach of announcing a new framework with no meaningful provincial consultation, especially not with the provinces immediately affected. While the federal government speaks of wide consultation, it is more than clear that it did not really engage, never mind consult with the provinces. This is a repeated pattern of behaviour and likely will undermine the utility of the new framework.

When asked about Alberta Premier Danielle Smith’s claim that she was told she needed to sign a non-disclosure agreement before getting a pre-announcement briefing, federal officials blandly responded that this was a usual process when engaging stakeholders.

Two concerns arise. It strongly suggests there was no meaningful federal engagement with Alberta. NDAs aren’t needed when people have been working closely together. Second, provinces are not stakeholders – they are the other constitutional order of government in this country. More importantly they are the order of government charged with the management of their natural resources on behalf of their citizens. Repeatedly, this federal government views provinces as just another stakeholder group.

Clearly Canada needs to participate in international events and colloquies, but we must always remember that the federal government generally does not have the jurisdictional competence to deliver on many of its commitments. The major failing of this government and its climate plan is its failure to meaningfully engage and bring provinces on board. While it appears all our governments agree this is a critical file, there are ranges of view on how to achieve it. Different means may have different consequences and those consequences may be significant. Consider for example the question of cost. Recently the federal government concluded the cost of the carbon tax on home heating fuels needed to be considered differently than was first thought. Presumably effective provincial engagement, rather than a diktat, might have uncovered this issue earlier.

The federal side is now saying its regulations to achieve this cap and trade framework are to be developed over the next number of months and that it will engage with others to do so. Having heard this before and not seen effective results, why would anyone – especially investors – conclude this is likely to be a meaningful process? The immediate consequence of the announcement is the insertion of a huge amount of uncertainty into the investment world for the next number of quarters with no likelihood of real certainty for a few years.

In summary, Canadians should be increasingly concerned that Ottawa continues to press ahead on significant and consequential policies unilaterally and without meaningful engagement with our other elected governments. Treating the provinces as mere stakeholders misapprehends the needed role for collaboration and cooperation within Confederation. The result of this ongoing failure is likely to be ineffectiveness and uncertainty, with all Canadians left paying the bill.

*Grant Sprague was an Alberta deputy minister and is a senior fellow of the C.D. Howe Institute. In 2019 he co-authored “A Crisis of our Own Making: Prospects for Major Natural Resource Projects in Canada,” an Institute report.*

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