

## **With Which Vision Are We “Building Canada”?**

“Although emphasis is often placed on the role of private enterprise in spurring socio-technical change, governments are almost always involved.” (Winfield et al., 2023, p. 30) The policies they introduce set the playingfield for others. From encouraging voluntary action to requiring certain behavior, there is a large potential toolbox to work with (Stewart, 2025). We find ourselves in the midst of such a transition, a big one: the world’s path of decarbonizing everything. It is influencing every element of society. Arguably the biggest shift has to happen in the energy sector as it is responsible for over 70% of green house gas (GHG) emissions. Analyzing major new laws to understand how they change the dynamics of the energy world is therefore crucial.

Since being elected, Canada’s new prime miniester Mark Carney has introduced “Bill C-5”. It includes the “Building Canada Act” (BCA) on which I will focus in this essay. The act has caused heavy discussion about its role in facilitating the transition to renewables or the lack thereof (Clean Energy Canada, 2025; Ecojustice, 2025). I will argue that, if done right, the BCA can be a strategic shift towards “deliberate support for the emergence of low-carbon economic sectors” (Winfield et al., 2023, p. 18). It does however run the danger of an executive overreach and advancing incremental climate solutions using fossil fuel infrastructure. The ladder will lead to further carbon lock-in, “a concept coined by Gregory Unruh that denotes how multiple dynamics (technological, economic, political and social) reinforce the continued and natural use of fossil energy.” (Bernstein & Hoffmann, 2019, p. 920)

In the following I will first consider the mechanics of the law and direct critizism of them, before thinking about how it could facitilate a transition. Finally, I will set this into the context of current developments of the law starting to be used.

The BCA was introduced as a direct response to economic difficulties Canada is dealing with. In the decade between 2014 and 2023 there was a notable loss of investment of 19.3% (Veldhuis & Clemens, 2025). In the context of the Inflation Reduction Act that the US passed in 2022, which brought substantial investments its neighbor, Canada struggled to keep up and stay economically relevant (Beck, 2022). To increase this distress even more, Trump imposed substantial tariffs, making it even harder for local companies to stay relevant in the market of Canada's biggest trading partner (Lee & Dinsdale, 2025).

There long been arguments that regulations like the Impact Assessment Act are important obstacles in the way of investment "where it's nearly impossible to get large and important projects [...] approved. Even simple single-site redevelopment projects can take a decade to receive rezoning approval." (Veldhuis & Clemens, 2025) The idea of the bill is to make it easier to get "projects of national importance" (PONIs) built. Carney expressed the thought process like this: "Canada's new government now starts by asking ourselves for major projects: How? How can we build? How can we do it bigger? How can we do it faster?" (Zimonjic & McKenna, 2025) "The preamble states that there is a need to advance PONIs through an accelerated process that enhances regulatory certainty and investor confidence." (Powell, 2025)

Functionally it will work like this: the prime minister and cabinet will determine PONIS. Based on a list of factors which includes: "contribute to clean growth and to meeting Canada's objectives with respect to climate change." (Powell, 2025) Importantly though, "These considerations are not compulsory, meaning that not everything in this list must be considered. Furthermore, there is no requirement to issue a decision or explanation as to why a project has been [accepted]" (2025) "[...] once a project is designated as a PONI, the starting point is to determine what conditions are to be applied to the project rather than a determination of whether the project should be approved." (2025) This takes the form of allowing projects to skip parts of the environmental assesement (2025) as well as giving the opportunity to the

“government to circumvent existing laws” (Ecojustice, 2025). In the end the government coordinate internally to issue a single document of approval instead of multiple individual permits (Powell, 2025).

Without even considering specific projects or the energy transition, the top down approach and the centralisation of power have been critiqued. “[...] a black box approach to decision-making, is likely to increase public opposition to projects and may lead to project approvals being tied up in litigation.” (Powell, 2025) Especially sensitive is the infringement of the law regarding indigenous engagement and participation in the planning and building of these big projects. The law solely requires the prime minister to “consult with Indigenous peoples whose rights may be adversely affected.” (Powell, 2025) before proposing a project. This seriously endangers the United Nations principle of free, prior, and informed consent.

On a bigger scale than these implementation issues, by passing this law the government has committed to getting more involved in specific projects and setting a direction for what the country focuses on. From an energy transition point of view this could have a positive outcome. “Although contributions from many actors will be required to shift Canada onto a net-zero development trajectory, there is growing recognition that accelerating this transition will demand decisive action from governments.” (Winfield et al., 2023, p. 37) The law could allow the government to “provid[e] strategic leadership for regional and sectoral transitions” (2023, p. 37). This would mean that it takes an active role in the transition process, enabling large steps towards deep decarbonisation and circumventing the dangers of chasing the the next easiest emission reduction.

There are concrete ideas for how the BCA could help the transition (Clean Energy Canada, 2025). Considering an analysis by the Canadian Institute for Climate Choices, electrification of everything is a “safe bet”, meaning it is part of every scenario in which Canada reaches net-

zero (2021). While Canada's grid is already largely emission free thanks to a lot of hydropower (International Energy Agency, 2025), to be able to handle the increasing demand, "Canada's electricity systems need to get bigger" (Canadian Climate Institute, 2022) In addition to at least doubling peak capacity, it will be important to build out, especially interprovincial, transmission lines. These would fulfill all five factors the bill proposes for the cabinet to consider rating a projects' importance. Most importantly, they strengthen Canada's independence from the US while not endangering its climate goals. (Smith & Nicholson, 2025) At the moment "Provinces trade more electricity with the United States than they do with each other." (2025) Connecting provinces would "create new domestic commercial options and strengthen our energy independence" (2025) This is only one example of how the government could use the BCA to accelerate the energy transition.

Since the bill was introduced, the prime minister has announced the first two tranches which include a total of eleven projects. Among them are a new transmission line in British Columbia (B.C.) and a fully inuit owned hydro project in Nunavut. He also proposed a total of five mining projects of critical minerals. Some of them are important for the energy transition, others are related to military equipment. (Prime Minister of Canada, 2025a, 2025b) These projects can be seen as an attempt to be a part of a new branch of the economy focusing on clean technologies. Looking at further projects however, it seems that the government is not choosing these projects with as clear a vision as discussed in the previous paragraph. Most notably, there are two expansions of LNG terminals and support of a new nuclear power plant (Prime Minister of Canada, 2025a, 2025b). Though the prime minister's website states that "It will diversify our trading partners and meet increasing global demand for secure, low-carbon energy with Canadian LNG." (Prime Minister of Canada, 2025a), the term "low-carbon energy" should be seriously questioned. "Combustion of natural gas instead of coal to generate electricity would

reduce CO<sub>2</sub> emissions per unit of electricity produced.” (Olewiler & Beugin, 2025), but investing energy and resources into building LNG facilities, when they could better be spent directly building net-zero ready infrastructure, delays the actual transition (Tsui, 2025). It may be “among the fastest ways to [...] increase our economic and energy sovereignty” (Krugel, 2025a) as Lisa Baiton, the president and CEO of the Canadian Association of Petroleum Producers states, but even if, there are predictions that global LNG demand will peak within the decade (Tsui, 2025) and that building out will increase national emissions (Olewiler & Beugin, 2025). It is a “dead-end pathway - measures that provide incremental emission reductions but do little or nothing to advance the broader transformational goal” (Winfield et al., 2023, p. 33).

This demonstrates two critical flaws of the bill in the context of facilitating a transition. “[...] ‘contribution to Canada’s climate goals’ should be a ‘must-have’ and not solely one of many factors to consider.” (Clean Energy Canada, 2025) Without such a safeguard and clear direction, the second problem compounds. The way the law is set up, with the cabinet holding all power of naming projects “of national importance” and a lack of transparency of this process, “replace[s] the publicly-accessible environmental assessment process with backroom deals where the most expensive lobbyists have the biggest advantage.” (Ecojustice, 2025). In this scenario current incumbents, namely the oil and gas industry, have a big advantage over emerging sectors no matter their future value and potential.

These current incumbents are an interest group that has long demanded a simplification of the regulatory environment. As one of the Canadian Association of Petroleum Producers’ “Energy Action Points” they stated: “Immediately streamline approvals for major projects already in the federal review process.” (Canadian Association of Petroleum Producers, 2025) The streamlined process of the BCA could be seen as a step in that direction. After the release of

the first five projects, Alberta's premier Danielle Smith said: "Finally — they get it,' because it's all the projects that have been difficult to build." (Krugel, 2025a) She built on that premise and is now trying to build a pipeline to the west coast. Until now though, there is no private company that would want to build the project. "The fact that there is not a private proponent despite obviously huge willingness on the part of Alberta to subsidize this using tax dollars should tell you everything you need to know about the reality of this project, which is that it is not a real project." (MacLeod, 2025) It seems like there are still enough regulations, namely a ban of oil tankers in front of B.C. and the federal emissions cap, that make investors uncertain to what extent they will be able to use the new infrastructure (Krugel, 2025b). For now the Alberta government has decided to be the primary proponent of the project but has already faced sever opposition by its neighboring province B.C. (MacLeod, 2025) and coastal first nations (Kulkarni, 2025). This demonstrates the difficulties such a centralised law can generate in a country as federalistic as Canada.

What it also shows is that there is more stopping new fossil fuel development than the duration of the approval process. The fact that conservative Leader Pierre Poilievre said: "Get out of the way: that is literally the only thing Mark Carney needs to do to get pipelines built in Canada." (Fletcher, 2025) talking about the emissions cap and the tanker ban, can be seen as positive in the light of blocking further expansion of oil production. If the bill hoped to get major investments of fossil fuel companies, then it seems not to be enough. The recently released budget may go in the direction of changing that though by proposing to eliminate the federal cap on GHG emissions for the oil and gas sector (Government of Canada, 2025).

Judging by how hostile the oil instustry is towards the emissions cap, the budget's proposal may be what they need to consider actual investment. In the current situation it can seem desirable, to secure the economics power of this industry, but it would also be a clear step away

from climate targets. If the federal government already has such problems getting oil producing provinces to implement climate legislation (Farrell, 2024), then giving them the tools to expand their operations is obviously not productive.

It seems that the big dilemma of the federal government is facing, is between a commitment to climate action on one hand and trying to boost the economy by attracting new fossil investment on the other. Some see further oil and gas extraction development as “a once-in-a-generation opportunity to unlock our wealth of resources and become a world-leading energy superpower, creating lasting prosperity for generations to come” (Fletcher, 2025). It is questionable though whether this actually makes sense on a longer time frame. The International Energy Agency predicts that global oil supply will drop to just over 20mb/d in 2050 from over 90 in 2020 while increasing the OPEC’s share of this supply from 34% to 52% (2021, p. 24). “We face a future in which high-cost, carbon-intensive Canadian crude producers will be competing with lower-cost, less-carbon-intensive suppliers in a shrinking global market.” (McKenzie et al., 2023, p. 2) With oil demand likely peaking before the end of the decade (2023) even the economic benefits of possible investments are uncertain over a slightly longer time horizon. Even if they were though, Canada is committing as little to becoming a full on petro state by ramping up the oil production as it is focusing on being a part of the transition to clean technologies. Which one Canada wants to be is a question still unanswered and this is the real danger of this law. Comparing the possibility of using the law to lead towards a compelling net-zero vision and advance deep decarbonisation to the reality of expanding LNG capacity demonstrates, that the lack of definition of “national interest” and non binding consideration factors, make the law more of a slot machine than a tool. Setting a somewhat level playingfield for both directions will help nobody and just results in a more violent fight with the power the BCA grants. If the goal is to reach net zero then Canada has to actually commit to it and not try to be an oil nation

at the same time. Building towards stopping climate change means expecting and wanting oil demand to drop. Spending effort, time, and money to keep this door open will just result in opportunity costs that make it even harder to keep up with others in emerging markets. To advance this transition “[...] public processes will be needed to develop compelling visions of a net-zero future and to define practical ways of getting there.” (Winfield et al., 2023, p. 14). For the BCA to make any long term sense, it thus has to be part of a long term goal. There is no value in looking for a tool, when you don’t know what you want to build.

*2494 Words*



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## **Reflection on the Use of AI**

While working on this assignment I used assignment mainly to get an overview of the sources I was working with. I added all the course readings and news articles to Google's "NotebookLM" tool. This meant I had an AI tool that was working closely with the material I wanted to consider. While I was researching and finding further information, I kept extending this list the model could work with.

During the writing process I then used it to help me with the ideation process. I never used it to generate any element of the actual essay. Rather it was there to give me feedback on my initial brainstorm, then helping me extend my initial outline and make it more concrete, and finally to find passages of the sources that would help me support my arguments. Especially the last part helped a lot because it sped up the process of remembering some quote and being able to cite it in the paper.