



# Intelligence MEMOS

From: Sarah M. Jordaan

To: The Hon. Jim Carr, Minister of Natural Resources, the Hon. Catherine McKenna, Minister of Environment and Climate Change and Peter Watson, Chair of the National Energy Board

Date: June 28, 2017

Re: **FROM LAGGARD TO LEADER – CANADA AS CHAMPION OF THE PARIS AGREEMENT?**

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**C**anada made a strong presence in Paris at COP21, where the government encouraged even more ambitious targets than were being discussed. Our nation can become an international leader in reducing greenhouse gas emissions by ensuring information on clean energy finance is available to align investors and government in a structured plan to advance the diffusion of emissions reduction technology. The Expert Panel on Modernizing the National Energy Board recently recommended the creation of a Canadian Energy Information Agency, where critical data such as these can be consistently presented, supporting an improvement of the existing system.

Canada has now committed to reduce greenhouse gas emissions by 30 percent below 2005 levels by 2030. The big question is: how do we ensure we meet the commitments we have made? One solution is to advance energy technology innovation – but governments and investors must do so thoughtfully and carefully. Innovation includes early research and development to promote invention through commercialization. Certainly, new disruptive innovation can quickly change the overall picture. For example, the industry is presently developing new in situ oil sands technologies to reduce emissions, but they are still some years away from commercialization. But we need to think beyond R&D alone: what will actually support the achievement of emissions reductions is the deployment and diffusion of clean energy, which requires capital expenditures by industry and government policy to incentivize such investments.

Governments and industry have not yet coordinated policies and spending across provinces and territories, making it challenging for Canada to meet targets. The questions we need to ask as we pave the path towards achieving the commitments are; how much money do governments and investors need to spend?; as well as, where should governments spend this money, and under what public policies? Different financing and policies are available in different regions - all involved actors should recognize this fact as efforts are coordinated.

To develop a structured plan, Canadian governments need to compile more consistent data and inventories and make them public. This information will shed light on present investments across innovation stages (from R&D through commercialization) so that investors can align spending with available policies and financing mechanisms (and vice versa). In our [recent study](#), we found that additional financing is available across Canada but there is no comprehensive database for investors to discover these opportunities. A newly created Canadian Energy Administration Information can take full advantage of the opportunity to support public policy by compiling such datasets and making them publicly available.

With a clear picture of where and how policies and financing encourage the advancement of innovation, governments and investors can develop a more coordinated approach. This would improve the efficacy of the overall system, provide clean energy jobs for Canadians, and move the nation to a lower carbon future.

*Sarah Jordaan is an Assistant Professor at Johns Hopkins University and the lead author of a [recent study](#) published in Renewable and Sustainable Reviews with the University of Calgary and Simon Fraser University on Clean Energy Innovation in Canada.*