

Spring 2026 Laser Talks Booklet

FOLLOW THE MONEY

*Our financial system should
build a **liveable future**, not fuel the wildfires*



Citizens' Climate Lobby Canada
Lobby Climatique des Citoyens

Empowering people to create the political will for a liveable world since 2010

We encourage you to **use your own words** when communicating. Feel free to **rewrite, adapt, or practice** the talking points in a way that resonates with you. This is part of your learning journey!

We've enabled comments, so please let us know if anything is **unclear** or you need clarification, you spot **grammatical or factual errors**, dead or inaccurate hyperlinks or information is outdated.

You don't need to be an expert to lobby nor memorize the laser talks. Bring this booklet with you. As a **concerned constituent**, your voice matters. *We don't argue or debate when we lobby.* We seek a path forward. Your empathy, curiosity and the good questions you ask are the keys to helping us create the political will for a liveable world.

Our Lobbying ask to The Senate: We urge the Senate of Canada to advance Bill S-238 for committee study and ensure its timely passage through the Senate and progression to the House of Commons.

Our Lobbying ask to the House of Commons: Citizens' Climate Lobby Canada supports policies that diversify our energy sources and lower costs. In 2026, we ask the government to:

- Maintain and strengthen industrial carbon pricing, with a steadily rising national carbon price, an expanded scope of coverage, and greater consistency and transparency in its application,
- Ensure the development of Canada's sustainable investment guidelines by Dec 2026, along with policies for climate-aligned finance such as those contained in Bill S-238 (Climate-Aligned Finance Act.)

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Canada's GHG Trajectory

This National Observer chart by Barrie Saxifrage tracks Canada's climate pollution since 1990—the international baseline for climate progress. Canada (the red line) now emits 13% more than in 1990.

<https://www.nationalobserver.com/2026/05/20/analysis/canada-fossil-fuel-transition-checkup>

Our 2030 target, marked by a grey bullseye, is 25% below 1990 levels, pledged under the Paris Agreement. How can we reach it?

Shutting down all coal burning (the “without coal” flag), emissions would remain above 1990 levels. We must also cut other sources.

Currently, approximately 75% of Canada's GHGs come from oil and gas. The rest come from non-fossil sources: agriculture, cement, industrial processes, and waste.

Even eliminating all non-fossil emissions and coal, we'd still miss the 2030 target, stalling at ~13% below 1990 (the “oil & gas GHG only” flag)—roughly matching current U.S. and Japanese levels.

The rest comes from burning oil and gas for energy, at record highs in Canada, with emissions still rising.

The charts show: transitioning from fossil fuels isn't optional—it's essential. Fossil fuels dominate our emissions, and dependence is growing. Note in the UK carbon pricing was a key impetus behind the closure of the coal-fired power plants.

https://canada.citizensclimatelobby.org/simon_sharpe/

Canada needs a clear roadmap to end fossil fuels in a measured and meaningful way.

The Return on Investment (ROI) Advantage of Renewables

The numbers don't lie: renewable energy investments deliver far greater returns than oil and gas. In Germany and France, renewables returned **178.2% over five years**, while fossil fuels *lost* 20.7%. In the US, renewables delivered **200.3%** returns versus 97.2% for oil and gas. In the UK, green energy returned **75.4%** compared to just 8.8% for fossil fuels.

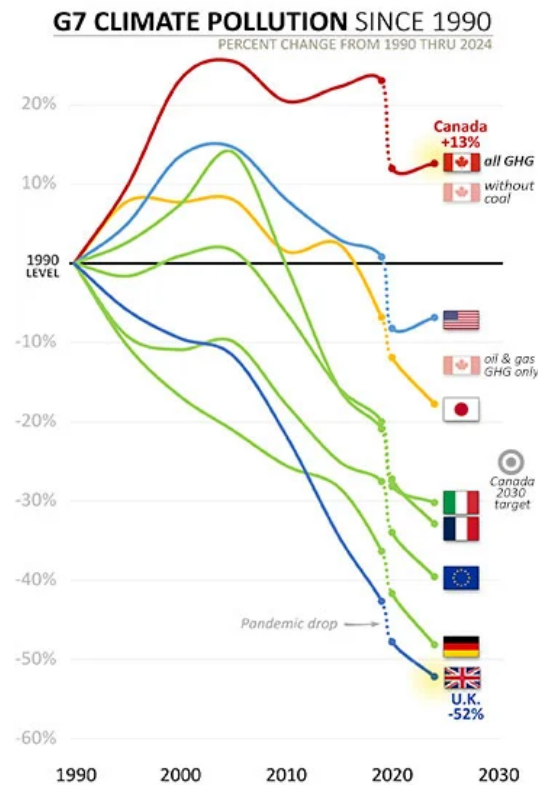
<https://www.dealsinsight.com/can-renewable-energy-sector-become-as-profitable-as-oil-and-gas/>

Why the dramatic difference? Renewables offer stable, long-term contracts and lower risk, while oil and gas face volatile prices, geopolitical uncertainty, and stranded asset risks. Globally, clean energy investment hit **\$2.2 trillion in 2025** which is roughly double the \$1.1 trillion going to oil, natural gas, and coal.

<https://www.iea.org/reports/world-energy-investment-2025/executive-summary>

<https://www.iea.org/news/global-energy-investment-set-to-rise-to-33-trillion-in-2025-amid-economic-uncertainty-and-energy-security-concerns>

Canada must act now. With our vast renewable potential, we can capture this economic opportunity, create jobs, and build a profitable, sustainable energy future. The ROI advantage is undeniable. Let's invest in what works.



The Coalition of the Willing Canada Must Embrace

The world is in the midst of a rupture, and for Canada to navigate this rupture, we must clearly see the path forward and lean into a global coalition of the willing that builds an affordable, sustainable future for all. Almost 60 countries, including Canada, gathered in Santa Marta Colombia for the [First Conference for Transitioning away from Fossil Fuels](#)—co-hosted by the Netherlands and Colombia. This coalition will work together to implement a just, orderly, and equitable transition away from fossil fuels, in line with climate goals and the best available science.

The Tipping Point: Renewables Now Cheaper Than Fossil Gas

A [new report](#) from the International Renewable Energy Agency finds that the cost per unit of electricity generated by solar-plus-storage in sunny regions (\$54-\$82 per megawatt hour) has now [fallen significantly](#) below that for new gas power globally (\$100/MWh) and can be lower than even new coal power in China (\$70-85/MWh). Wind-plus-storage is also competitive, while costs for both wind and solar with storage are set to decline even further in the years ahead. Reliable, cheap, and clean electricity is here and, as United Nations climate chief Simon Stiell describes it, “[booming](#).”

Canada's Climate Financial Policies vs UK, Australia and EU

Canada stands at a pivotal nation-building moment. The fact is, climate risks are huge financial risks. Canada does not need more pipelines. What we need is bold federal policy.

Recent [research](#) by Julie Segal from Environmental Defense on Canada's failure to adopt essential climate-related financial policies is alarming. While the UK, Australia, and the EU have implemented five to eight of eight key policies, Canada has enacted fewer than three. This includes missing economy-wide climate disclosure and clear regulatory mandates. To protect our economy and future, Canada must act now and align its financial system with global standards.

Segal, J. (2025) Cohesion of Sustainable Finance Policies across Jurisdictions. Canadian Public Policy, 51(S2). <https://doi.org/10.3138/cpp.2025-022>

Sustainable Investment Guidelines (Taxonomy)

Takeaway: Budget 2025 reconfirmed the federal government's support for the arm's-length development of sustainable investment guidelines, also known as a “taxonomy”. These guidelines are intended to be an important (voluntary) tool for investors, lenders, and other stakeholders, by credibly identifying “green” and “transition” investments.

Details

What is a taxonomy? A taxonomy is a set of criteria used to identify activities and investments that are eligible for an investment label as “green” (such as renewable energy) or “transition” (such as technology for decarbonizing high-emitting industrial processes).

Sixty other jurisdictions, (including the EU), have put taxonomies into force, or are planning to.

Why is a taxonomy important? A taxonomy could be used by financial institutions or corporations to issue green or transition bonds, and by investors to evaluate the credibility of sustainable investment products, reduce financial risks and drive down greenhouse gas emissions.

A taxonomy could also be relevant to climate action plans and reporting required by entities under climate aligned finance legislation, such as Sen. Rosa Galvez' Bill S-238.

How will the taxonomy be developed? The Canadian Climate Institute, working with the investor-led initiative Business Future Pathways, will lead the development of these guidelines.

A new independent Taxonomy Council (not yet established) will review and ultimately approve the taxonomy.

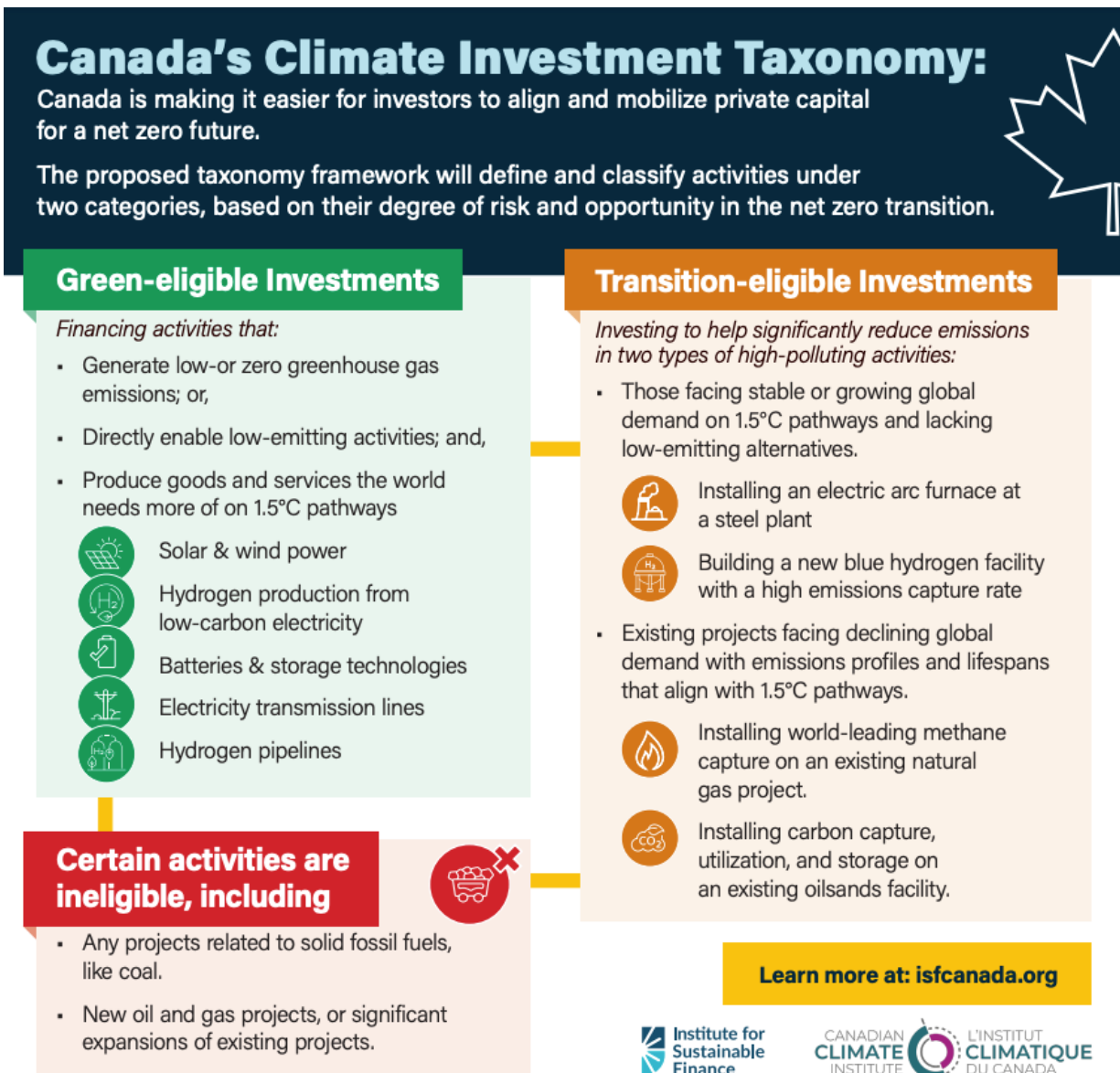
What is the timeline for developing the taxonomy? The Taxonomy Council is expected to finalize sustainable investment guidelines for six (yet to be determined) priority sectors – three by the end of 2026, and three by fall 2027.

What will be the priority sectors for the taxonomy? The list of priority sectors has not yet been determined, but the federal government has previously listed as priority sectors: electricity, transportation, buildings, agriculture and forestry, manufacturing and extractives (including mineral extraction and processing), and natural gas.

It is worth noting that the EU taxonomy includes, subject to certain conditions, natural gas and nuclear electricity generation in the "transitional" category.

A graphic from the Canadian Climate Institute and IISD is on the next page.:

<https://climateinstitute.ca/5-big-questions-about-canadas-new-climate-investment-taxonomy/>



Senator Galvez Reintroduces a New Climate Aligned Finance Bill

In October 2025, Senator Rosa Galvez brought back a stronger Climate-Aligned Finance Act (CAFA) after the old one expired. This new bill would:

- Make banks and Crown corporations create climate plans and set targets.
- Hold company leaders accountable for keeping climate commitments.
- Require climate experts on their boards of directors.
- Force banks to hold more reserves if they take big climate risks.

With climate change “already starting to wreak havoc on our financial system,” Galvez said in a media release, “CAFA is not radical, it is simply inevitable. It is the next logical step to protect Canadians, our economy, and our climate. Voluntary pledges have failed to shift capital at the scale and speed required.”

The release says the **new version of CAFA**, Senate Bill S-238, was “*strengthened through expert consultations*” by removing references to specific capital risk-weights for financing of fossil fuel activities, requiring disclosure but not removal of board members with “climate conflicts,” and “deeming those complying with the new duty to align with climate commitments to carry out their duties under any other enactment.”

Galvez introduced the previous version of CAFA, Bill S-243, on March 24, 2022. It was originally endorsed by 89 investment firms, academic organizations, and environmental groups (including Citizens’ Climate Lobby Canada), referred to the Senate Committee on Banking, Commerce and the Economy in June, 2023, and finally received a brief hearing the following November. In March, 2024, as supporters marked the bill’s second anniversary with social media posts, a Senate source reported no immediate plans on the part of committee chair Pamela Wallin (CSG-Saskatchewan) to bring the legislation forward for detailed study.

Citizens’ Climate Lobby Canada and over 120 other groups are now working to push **Bill S-238** through Parliament. We also want to make sure the bill’s most important parts are included in **Budget 2026**, which the government will release in fall 2026.

Provisions of Bill S-238 (CAFA)

Sen. Galvez introduced her private members’ Bill S-238 (Climate-Aligned Finance Act or CAFA) to the Senate on 29 Oct. 2025, and it advanced to Second Reading debate on 5 Feb. 2026. She has made significant amendments to her previous Bill S-243 on this topic in the hopes of gaining wider support and passage.

CCL supports this bill and the conversation on climate-aligned finance that it has sparked in the Senate and House of Commons.

Sen. Galvez lists the key provisions in the current bill as:

1. **Fiduciary duty** — Directors, officers and administrators of federally regulated entities with significant impact on greenhouse gas emissions, such as banks, insurance companies, railways, airlines, and Crown corporations, are required to act in alignment with climate commitments, replacing ad hoc voluntary practice with an enforceable standard.

2. **Mandate realignment** — aligns the mandates of federal financial entities and strengthens the Office of the Superintendent of Financial Institutions (OSFI) to reflect climate-related financial risk.
3. **Transition planning** — Federally regulated entities must produce climate-aligned transition plans, emissions targets related to their share of the global carbon budget, and annual progress reports.
4. **Governance & conflicts** — Climate expertise is mandated on certain boards; conflicts of interest must be disclosed, thereby modernizing fiduciary duty for a carbon-constrained world.
5. **Capital adequacy** — the OSFI must factor climate risk into capital requirements, both for individual institutions and the financial system as a whole, ensuring that the costs of financing non-transition-ready activities fall on those taking the risk — not taxpayers.
6. **Product-level alignment** — A federal action plan must align financial products — not just institutions — with climate commitments, recognizing that piecemeal institutional action is insufficient.
7. **Accountability mechanisms** — Recurring public review processes ensure transparency and continuous improvement over time.

Key Changes made to Bill - S-243

Key changes made compared to her previous Bill S-243 are:

- **Fiduciary duty** - now makes clear that actions taken to align with climate commitments are explicitly deemed consistent with existing statutory duties
- **Governance & conflicts** - no longer bars certain individuals
- **Capital adequacy** - allows OSFI to evaluate risk and capital weighting rather than telling it what to do.

Note: Guideline B-15 on “Climate Risk Management”, issued by the federal Office of the Superintendent of Financial Institutions (OSFI), establishes OSFI’s expectations related to the management of climate-related risks by federally regulated financial institutions, such as banks, federal trust and loan companies and insurance companies (FRFIs).

These entities would be regulated under Bill S-238, which also deals with the management of climate-related risks. To our knowledge, Sen. Galvez has not addressed the areas of potential overlap between Bill S-238 and OSFI Guideline B-15. This was raised as a concern during hearings on her previous Bill S-243 and is likely to be raised again.

While OSFI and Bill S-238 both regulate FRFIs, Bill S-238 also covers additional federally regulated entities like airlines, railways, pension funds and Crown corporations.

Follow the bill here:

<https://www.parl.ca/legisinfo/en/bill/45-1/s-238>

Why the Senate Should Advance CAFA to Committee

Canada’s carbon pricing policy has just been weakened by the Alberta-Canada MOU, putting our climate goals at risk. Whether your priority is healthy people, a healthy environment, or affordability, aligning our financial system with the climate emergency is a key solution. The world is transitioning away from fossil fuels, and Canada is lagging. Climate-Aligned Finance will make us competitive, attract investment, and secure our economic future. The House is stretched thin, but the Senate has the expertise to study this now and be prepared for when the House of Commons introduces similar legislation in a government bill.

House of Commons ENVI Committee Greenlights CAFA in January 2026

In January 2026, the House of Commons Standing Committee on the Environment and Sustainable Development (ENVI) greenlighted CAFA. Here are the key recommendations:

Recommendation 1 That Canada's financial system be reformed to align with climate commitments, as set out in Bill S-243, the Climate-Aligned Finance Act (44th Parliament, 1st Session), which would itself provide a robust, science-based regulatory framework for conducting transition plans and annual progress reports and address greenwashing concerns around climate action.

Recommendation 2 That the Office of the Superintendent of Financial Institutions reconsider the interpretation of its mandate, as suggested by the Commissioner of the Environment and Sustainable Development, and issue detailed guidance on transition plans.

Recommendation 3 That managers of federally regulated public pension funds, in particular the Canada Pension Plan Investment Board and the Public Sector Pension Investment Board, be required to fully disclose their investments in private equity funds.

Recommendation 4 That a Sustainable Development Working Group be established within the Competition Bureau and that the rules be strengthened to combat greenwashing in the financial sector and to crack down on greenwashing.

Recommendation 5 That the Government of Canada exclude fossil fuels from the development of Canadian sustainable investment guidelines as prescribed in the 2025 Budget.

Reference:

<https://www.ourcommons.ca/Content/Committee/451/ENVI/Reports/RP13856138/envirp02/envirp02-e.pdf>

ENVI's Conclusions on Canada's 2030 Emissions Reductions Plan

On 18 September 2025, members of the House of Commons Standing Committee on Environment and Sustainable Development agreed to undertake a study. In April 2026, they published their report.

<https://www.ourcommons.ca/documentviewer/en/45-1/ENVI/report-3/page-36#4>

Here are their conclusions:

The committee is concerned that the government has relied too heavily on future projections and ongoing consultations while current emissions trajectories continue to fall short. Ambition on paper cannot substitute for measurable reductions.

The government has not treated emissions reduction with the seriousness it demands. In recent months, it has weakened or reversed several of its own climate policies. While it continues to describe climate change as a threat, its actions do not reflect the urgency such language implies. The evidence before the committee points to a stark and troubling conclusion, which is that the government's decisions are not aligned with its stated commitments.

By the government's own projections, Canada is not on track to meet its 2026 interim objective, nor its 2030 target. After years of increasingly ambitious announcements, recent policy changes have made achieving those targets impossible. Progress in certain sectors continues to be offset by rising emissions in others. This is not a credible pathway to net-zero.

The committee heard repeated testimony that key measures within the 2030 Emissions Reduction Plan have been delayed, weakened, paused, or reversed. Long-promised initiatives remain unfinished. This pattern does not demonstrate its commitment to meeting emissions targets. It signals inconsistency and retreat.

Climate change is serious and the evidence of rising damages, record losses, and growing economic risk confirms it. Therefore, recent policy reversals are impossible to square with any real sense of urgency. Governments that treat something as a crisis do not weaken, delay, or walk away from the very policies meant to confront it.

Canada's commitments under the *Paris Agreement* are binding promises, not symbolic goals. They have real consequences. When domestic policy does not match those commitments, the pattern is predictable. Targets are announced, deadlines arrive, and failure is defended.

ENVI's Recommendations from their April Report

The House of Commons Standing Committee on the Environment and Sustainable Development report in April.

<https://www.ourcommons.ca/documentviewer/en/45-1/ENVI/report-3/page-36#4>

Here are recommendations related to what we lobby for:

Carbon Pricing Recommendations

Recommendation 2:

That the Government of Canada, by 1 June 2026, publicly disclose updated modelling reflecting the cumulative impact of recent policy changes, including the **removal of the consumer carbon price**, the abandonment of the Electric Vehicle Availability Standard, and the suspension of the proposed oil and gas emissions cap, and clearly indicate how Canada will meet its legislated targets in light of those changes.

Recommendation 16:

That the Government of Canada place the **polluter pays principle** at the centre of the 2030 Emissions Reduction Plan.

Recommendation 21:

That the Government of Canada maintain support for schemes similar to carbon pricing at the international level.

Recommendation 27:

That the Government of Canada acknowledge the intensity of emissions in oil and gas in certain Canadian provinces and that measures, such as a **robust industrial carbon price** or alternatively an oil and gas emissions cap, be implemented to address rising emissions in the oil and gas sectors.

Climate-Aligned Finance Recommendations

Recommendation 12

That the Government of Canada provide information on the **costs associated with achieving the Paris Agreement target**, as well as the co-benefits of implementing climate action measures (e.g., economic restructuring, improved air quality, savings in health care costs, savings in fuel purchases for households and businesses, costs saved by avoiding extreme weather events,

etc.). The criteria for selecting climate measures should not be limited to the lowest costs or the easiest short-term emissions reductions, but should also aim to truly transform the economy in order to put in place the structure necessary for our low-carbon future.

Recommendation 19

That the Government of Canada use the **federal climate investment taxonomy framework** to classify and prioritize economic activities that are compatible with climate goals, **directing public and private capital toward low-carbon sectors**.

Recommendation 30

That the Government of Canada **create clearer connections between its emissions reduction plan and its industrial policy**, to accelerate both emission reductions and economic growth.

Carbon Leakage

Carbon leakage is the shift of production and its emissions from regions with strict climate policies to those with weaker ones, undermining global emissions reductions. It often occurs due to cost differences, threatening the effectiveness of ambitious climate action.

Canada's Headline Carbon Price

Canada's headline carbon price, under the *Greenhouse Gas Pollution Pricing Act*, is a federal levy on fossil fuels, currently set at **\$110 per tonne of CO₂ (2026)**. It is scheduled to rise annually, reaching **\$170 per tonne by 2030**, to drive emissions reductions and support climate goals. But that has now been weakened for oil and gas in the Alberta-Canada Memorandum of Understanding..

Canada's Industrial Carbon Pricing System

Takeaway: Canada's industrial carbon pricing system imposes a carbon price on industries which are major emitters of planet warming greenhouse gas (GHG) emissions. Industrial carbon pricing could be the **most powerful federal policy** for incentivizing the reduction of Canada's carbon emissions and it costs less than a **Timbit per barrel of oil** on average for the oilsands industry in 2030 but requires significant reform to achieve its full potential.



Details

The federal *Greenhouse Gas Pollution Pricing Act* (GGPPA) established a national system of industrial carbon pricing on GHG emissions from large industrial emitters (such as oil sands, steel, cement).

- The GGPPA provides for a federal system of industrial carbon pricing, which is known as the federal **Backstop**
- Provinces and Territories (**P+T**) can implement their own industrial carbon pricing system, or choose to have the federal Backstop applied.
 - All P+T carbon pricing systems must meet the **stringency** (or strength) of minimum **national performance standards**, known as the federal **Benchmark**, which include,

among other standards, a steadily increasing **headline carbon price** (currently \$110/te of GHG emissions, rising to \$170/te in 2030).

- o Where a P+T carbon pricing system does not meet the standards of the federal Benchmark, the federal Backstop will be applied in the P+T.
- o A list of P+T industrial carbon pricing systems can be found [here](#).
- o The federal Backstop and P+T industrial carbon pricing systems impose a carbon price on only a small amount of a facility's GHG emissions. This is to limit adverse competitiveness impacts and prevent **carbon leakage** (i.e. the risk of production or investment, and associated emissions, moving to another jurisdiction to avoid paying a price on carbon pollution).

The federal Backstop, and most P+T industrial carbon pricing systems, have an **output-based pricing system** (OBPS), while Québec has a cap-and-trade system.

CCL's suggestions to strengthen Canada's industrial carbon pricing can be found [here](#).

Importance of industrial carbon pricing

Takeaway: Industrial carbon pricing is the most effective way to lower carbon pollution; however, the Canadian government needs to continue to improve these systems to maximise their potential and we need to protect it from being weakened in the Alberta-Canada MOU.

According to a study by the Canadian Climate Institute and Navius Research, *Which Canadian climate policies will have the biggest impact by 2030?*, one climate policy in particular reduces carbon pollution the most. This policy is industrial carbon pricing, referred to here as large-emitters trading systems had the largest estimated impact.

Figure 2: Range of incremental emissions reductions from climate policies in 2025-2030

Share of total emissions reductions between the baseline and the full ERP policy scenarios (%)

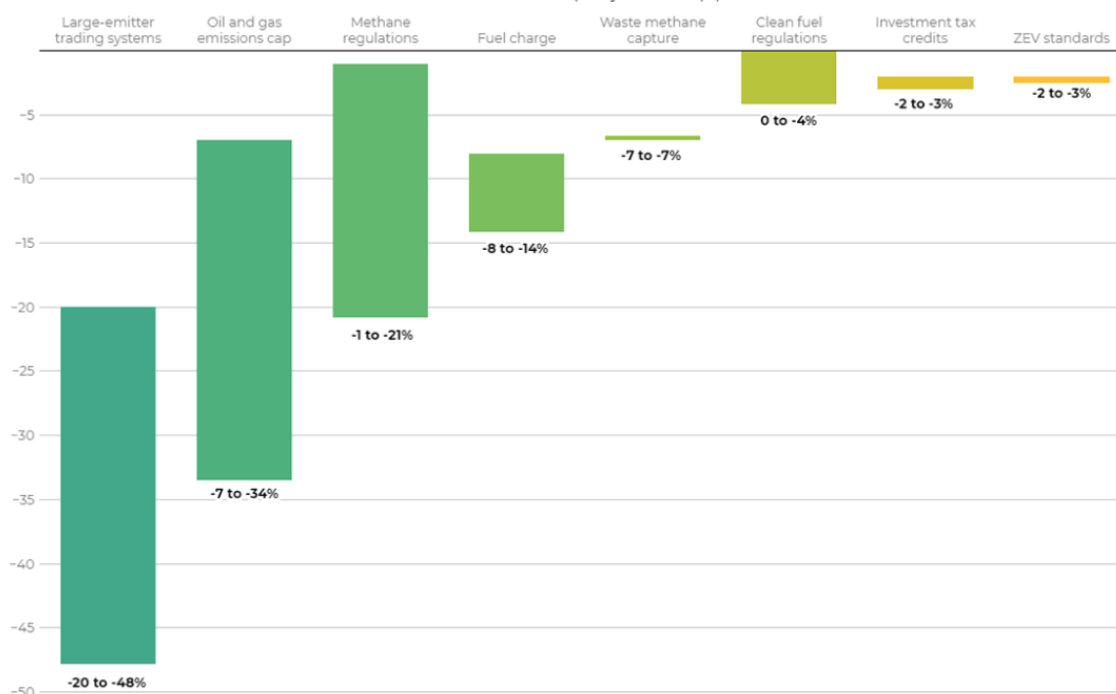


Chart of Provincial and Territorial Industrial Carbon Pricing Systems

Province/Territory	System Type	Name of System / Notes	Applies To (Threshold)
British Columbia	Provincial – Tax + Performance-based	IER (Industrial Emissions Regulation) + Carbon Tax	Incentives via CleanBC; Tax rebates based on efficiency
Alberta	Provincial OBPS	TIER (Technology Innovation and Emissions Reduction)	≥100,000 tCO ₂ e/year (opt-in ≥10,000)
Saskatchewan	Provincial OBPS	SK OBPS	≥25,000 tCO ₂ e/year (opt-in ≥10,000)
Manitoba	Federal OBPS	Federal backstop applies	Standard federal threshold (≥50,000)
Ontario	Provincial OBPS	EPS (Emissions Performance Standards)	≥50,000 tCO ₂ e/year (opt-in ≥10,000)
Québec	Cap-and-Trade System	Cap-and-Trade (WCI)	≥25,000 tCO ₂ e/year
New Brunswick	Federal OBPS	Federal backstop applies	Standard federal threshold
Nova Scotia	Federal OBPS (since 2023)	NS Cap-and-Trade ended	Standard federal threshold
Prince Edward Island	Federal OBPS	Federal backstop applies	Standard federal threshold
Newfoundland & Labrador	Federal OBPS	Provincial tax covers fuels; federal OBPS covers industry	Standard federal threshold
Yukon	Federal OBPS (tailored)	Applies selectively	Large emitters, a few industrial sources
Northwest Territories	Territorial Carbon Tax (Modified OBPS)	No full OBPS; exemptions for small-scale industry	Applies via NWT Carbon Tax law
Nunavut	Federal OBPS	Applies in principle, but limited coverage	Few large industrial emitters

Output-Based Pricing Systems (OBPS)

Takeaway: The [industrial carbon pricing systems](#) of the federal Backstop and most provinces and territories (except Québec and NWT) are Output-Based Pricing Systems (OBPS).

Details:

In an OBPS, regulators set greenhouse gas (GHG) **emissions intensity- standards** (also known as **output-based standards**) for each sector, activity or facility. “Intensity” refers to the ratio of GHG emissions produced per unit of physical output.

These standards set the limit for allowable GHG emissions from a facility covered by the industrial carbon pricing system.

A facility is only charged a carbon price on GHG emissions which exceed this limit.

- The facility will have a **compliance obligation** for each tonne of GHG emissions above its limit. Currently this is in the range of 10-30% of total emissions.
- Facilities with a compliance obligation can comply by paying the headline carbon price on the excess emissions or by submitting **emission reduction credits**, including surplus

credits they have banked in previous years or acquired from another facility, as well as eligible “offset” credits where allowed.

Each facility can earn tradeable emission reduction credits for each tonne of GHG emissions below its limit. These credits can be used at other facilities with compliance obligations owned by the same firm, can be traded between firms, or banked for future compliance periods.

Over time, governments increase the headline carbon price and make the intensity performance standards stricter (or “tighter”), which incentivizes continued GHG emissions reductions.

Another incentive for GHG emission reduction is that a facility which can reduce its emissions below its limit can earn revenue from the credits it generates and sells to others.

To function properly, an OBPS must ensure that there is more demand for emission reduction credits than the expected supply. This will keep the market price for these credits close to the “headline” carbon price.

While provinces with their own OBPS systems (that is, those in which the federal backstop does not apply – currently BC, AB, SK, ON, NB, NS, NL) generally follow the principles outlined above, their OBPS vary in the manner in which these principles are applied and, accordingly, each provincial OBPS is unique.

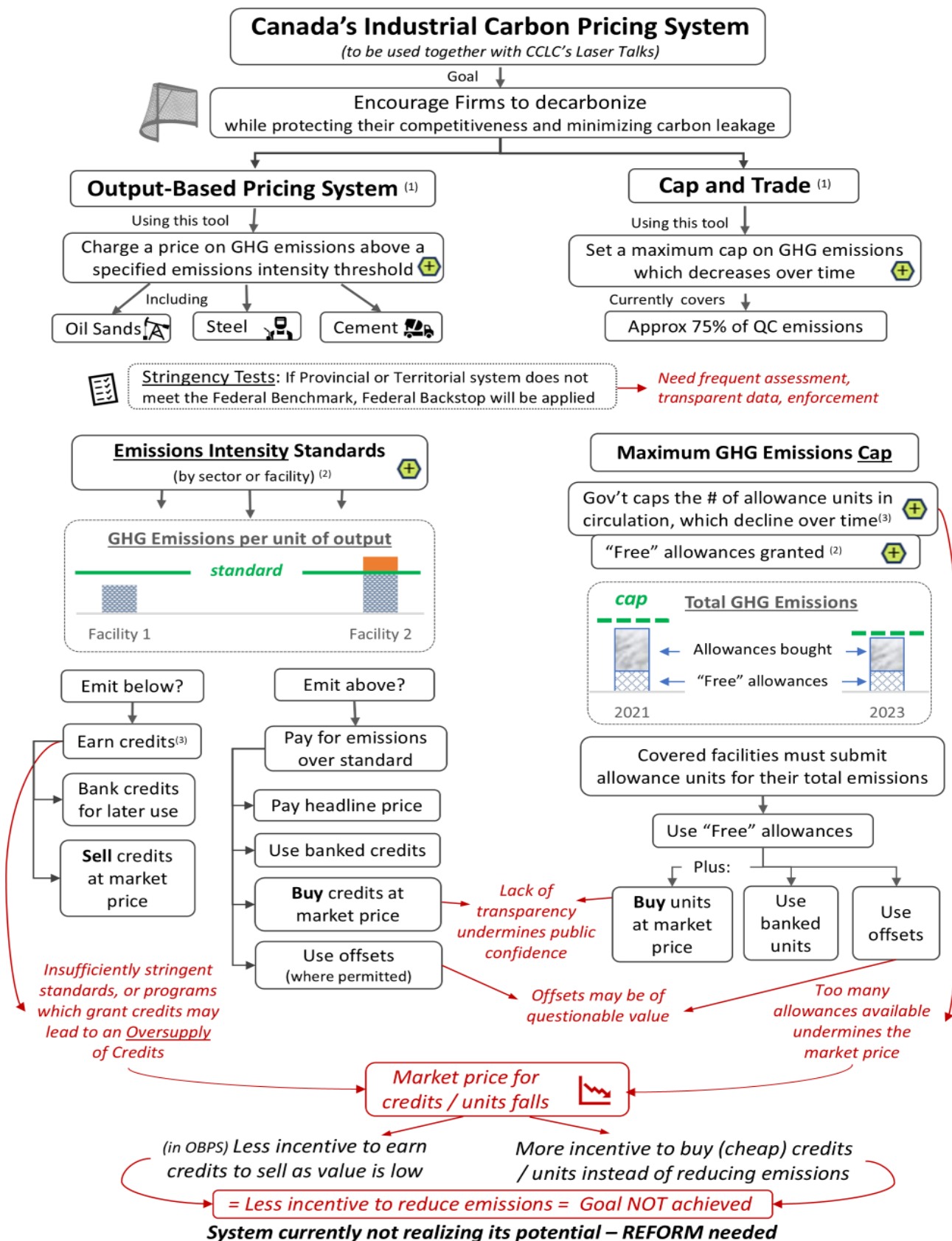
Cap-and-Trade Systems

Takeaway: Québec industrial carbon pricing is a cap-and-trade system.

Details

- Cap-and-trade systems set a global maximum cap on greenhouse gas (GHG) emissions from all facilities combined which are covered by the system. This global cap decreases over time.
- There is also a cap on the number of **emissions allowances** put into circulation each year, which is reduced over time. An emission allowance equals 1 tonne of CO₂ (e).
- Facilities must submit an emissions allowance for each tonne of their GHG emissions.
- Facilities obtain emissions allowances at auction or by trade in the secondary market or by purchasing offset credits where allowed. Regulators will also generally distribute a number of allowances for free (“**free allowances**”) to trade-exposed industries to keep their costs low and minimize the risk of competitiveness impacts and carbon leakage.
- Facilities have an incentive to reduce emissions in order to reduce the number of allowances necessary to cover their GHG emissions. They can also sell any excess allowances that they have accumulated to other facilities.
- Over time, the government lowers the cap on GHG emissions and the quantity of allowances in circulation, leading to a higher price for allowances. This incentivizes facilities to lower their emissions.
- Québec’s carbon credit market is integrated with the [Western Climate Initiative](#), which is a credit market that includes the states of California and Washington.

Flowchart of Output-Based Pricing System vs Cap and Trade



(1) OBPS used in all provinces + YT, NU. Cap & Trade used in QC

(2) The purpose of tailoring emissions intensity standards and granting free allowances per sector/facility is to protect Firms' competitiveness and minimize carbon leakage. Intended for energy intensive, trade-exposed sectors or Firms.

(3) OBPS: 1 emissions reduction credit = 1 tonne CO₂e. C&T: 1 emissions allowance unit = 1 tonne CO₂e

Risks shown in red italicized text

(+) Rachet points indicate **leverage points** used to increase incentive to decarbonize over time

Unpacking the MoU with Alberta

The Memorandum of Understanding (MoU) recently signed between Alberta and Canada is more than just unnerving, it's a betrayal of the countless hours of work by volunteers and civil society organizations. Their efforts to hold governments accountable to climate commitments have been severely compromised by political expediency.

Of deep concern to Citizens' Climate Lobby Canada is the weakening of the Industrial Carbon Price which will apply to all provinces, territories and sectors of the economy. We agree with the thesis of a May 19, 2026 opinion editorial in the Globe and Mail by Dale Beugin, Dave Sawyer and Rick Smith that the MoU both improves and hobbles Canada's most important climate policy.

<https://www.theglobeandmail.com/opinion/article-alberta-ottawa-agreement-both-improves-and-hobbles-canadas-most/>

Alberta will strengthen its industrial carbon price, albeit with a lower benchmark. Of note, Alberta was blocking improvements previously. Here is the before and after data of the improvements to Alberta's new Industrial carbon price.

Alberta's new carbon pricing plan

Industrial carbon pricing per tonne



Image source: <https://www.cbc.ca/news/politics/carney-smith-energy-announcement-mou-9.7200652>

But by setting the price floor at a very low level, the agreement leaves a [huge number of emissions reductions on the table](#). Industrial carbon pricing can be hugely powerful, both in reducing greenhouse-gas emissions and in making low-carbon projects investable. At these low prices, the Pathways carbon-capture-and-storage project is only likely to proceed with substantial additional taxpayer subsidies.

The MoU includes a commitment from Alberta to facilitate investment in renewable energy projects, which have been hindered by restrictions, the province's renewables moratorium, and regulatory changes.

<https://electricityforum.com/news/alberta-ends-moratorium-on-renewable-energy-projects>

This is good news because Canada is planning to double grid capacity by 2050, and renewable energy is now cheaper than fossil energy. But there is potential tinkering of the Clean

Electricity Regulations that could make way for fossil gas in the electricity system.
<https://www.nationalobserver.com/2026/05/14/news/feds-clean-electricity-regulations>

It is also unclear whether the proposed new oil pipeline will be built. Will banks and insurers, increasingly wary of fossil fuel risks, fund the pipeline? Securing its path through British Columbia and Indigenous lands will be fraught with legal and ethical challenges, too..

The MoU will result in an increase of GHGs by 230 million tonnes through 2040 (15.3 Mt annually), but only if all the fossil fuel projects go through.

<https://www.theenergymix.com/sledgehammer-carbon-price-deal-boosts-emissions-by-230mt-aims-for-fall-2027-pipeline-approval/>

If the Conservative Party of Canada had been elected, Canada would have seen an increase in GHGs of 771 megatonnes (Mt) of CO₂e between 2025 and 2035 (77.1 Mt annually).

<https://www.carbonbrief.org/analysis-conservative-election-win-could-add-800m-tonnes-to-canadas-emissions-by-2035/>

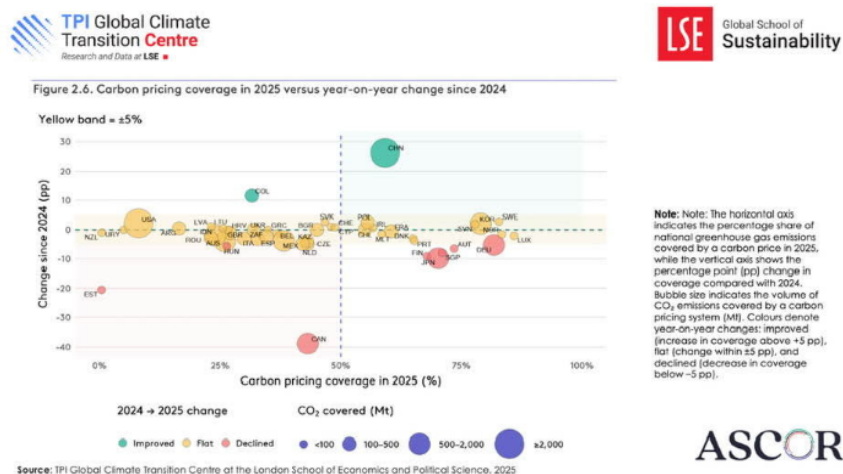
This is why we lobby. We need questions answered and to see the path forward.

China outperforming Canada on Clean Energy and Carbon Pricing

Did you know that in 2025 Canada's share of emissions covered by a carbon price dropped from 82% to 43%, while China expanded its emissions trading system from 33% to 59%?

CCL Canada members have known for [some time](#) that China has also become the world's first "electrostate". An electrostate is a country or region whose economy and energy system are primarily powered by electricity, often generated from low-carbon or renewable sources and emphasizes electrification as the backbone of the state's energy and industrial systems.

Carbon pricing is not the only tool we need, but without it, transitioning our economy away from fossil fuels becomes far more difficult. Right now, Canada is moving backwards on carbon pricing. That is why CCL Canada focuses its lobbying on taking money directly out of fossil fuel companies' hands through industrial carbon pricing and promoting climate-aligned finance.



Reference

<https://www.transitionpathwayinitiative.org/ascor>

AMOC Could Start Collapsing Sooner Than Expected

Earth's climate has a beating heart: the Atlantic Meridional Overturning Circulation (AMOC), of which the Gulf Stream is part of. It pumps warm water north, keeping Europe mild, the tropics stable and our weather predictable.

Fifty-six million years ago, the Paleocene-Eocene Thermal Maximum saw massive carbon releases that drove ocean extinctions and evolutionary upheaval on land. Today, we are emitting carbon 9-10 times faster than then ¹.

In the 2004 climate apocalypse movie "The Day After Tomorrow," the shutting down of the AMOC was a scientific fantasy, but not now.

It is already at its weakest in 1,600 years ². Scientists warn that we could cross the point of no return within decades. Once triggered, it is irreversible ³. If it happens, Europe freezes in winter, the tropics scorch, monsoons fail, crops die and coastlines flood. Societies crumble. This is not Hollywood. This is physics. And the data just got more alarming.

Just before Earth Day 2026, a peer-reviewed scientific paper concluded this Atlantic current system could be weakening faster than expected ⁴.

The heartbeat of Earth's climate is in our hands. Every tonne of carbon we emit pushes us closer to a world incompatible with civilization. The precautionary principle alone should compel everyone to act now.

1. Thornalley, D. J. R., et al. (2018). *Temporal scaling of carbon emission and accumulation rates: Modern anthropogenic emissions compared to estimates of PETM onset accumulation*. *Paleoceanography and Paleoclimatology*, 33(11), 1425-1439. <https://doi.org/10.1029/2018PA003379>
2. Thompson, A. (2018, April 11). *Slow-motion ocean: Atlantic's circulation is weakest in 1,600 years*. Scientific American. <https://www.scientificamerican.com/article/slow-motion-ocean-atlantics-circulation-is-weakest-in-1-600-years/>
3. Pare, S. (2025, September 4). *Key Atlantic current could start collapsing as early as 2055, new study finds*. Live Science. <https://www.livescience.com/planet-earth/climate-change/key-atlantic-current-could-start-collapsing-as-early-as-2055-new-study-finds>
4. Portmann, V., Swingedouw, D., Khatrab, O., & Chavent, M. (2026, April 15). *Observational constraints project a ~50% AMOC weakening by the end of this century*. *Science Advances*, 12(16). <https://www.science.org/doi/10.1126/sciadv.adx4298>

Our Uninsurable World

As climate change increases the frequency, severity and unpredictability of extreme weather events, insurance companies cover less and less of the costs and the burden is falling largely on taxpayers. The data is overwhelming globally and in Canada.

GLOBAL

Munich Re reports 2025 global natural disaster losses totaled \$224B (\$108B insured), with weather disasters accounting for 92% of all losses and 97% of insured losses. The Los Angeles wildfires alone caused \$53B in total losses (\$40B insured), the costliest wildfire event ever recorded, with 17,200 fatalities worldwide.

<https://www.munichre.com/en/company/media-relations/media-information-and-corporate-news/media-information/2026/natural-disaster-figures-2025.html>

Swiss Re (sigma 1/2026) reports 2025 insured losses of \$107B, with wildfires, storms and floods contributing a record 92% of global insured losses. Wildfire is the fastest-growing risk, with

insured losses rising about 12% annually, and 49% of economic losses were insured in 2025, the highest on sigma records.

<https://www.swissre.com/institute/research/sigma-research/sigma-2026-01-natcat-2025-wildfire-storm-risk.html>

If 2026 follows the long-term average, losses could total \$148B in 2026.

<https://www.insurancejournal.com/news/national/2026/03/23/863087.htm>

It should be noted that 80-90% of catastrophe losses remain uninsured in emerging economies.

<https://www.swissre.com/institute/research/sigma-research/sigma-2026-01-natcat-2025-wildfire-storm-risk/adaptation-insurance-narrow-protection-gap.html>

Aon reports 2025 total economic losses of \$260B (23% below the 21st-century average), with severe convective storms now the costliest insured peril, surpassing tropical cyclones. 2025 saw 49 billion-dollar economic loss events (above the long-term average of 46) and 30 billion-dollar insured loss events (far exceeding the historical average of 17).

<https://aon.mediaroom.com/2026-01-20-Severe-Convective-Storms-Now-the-Costliest-Insured-Peril-of-the-21st-Century,-Aon-Reports>

Allianz Risk Barometer 2026 reports insured losses from natural catastrophes have exceeded \$100B for six consecutive years. Secondary perils (flooding, severe thunderstorms and wildfires) now drive losses comparable to traditional peak risks. The first half of 2025 saw \$106B economic losses and \$77B insured losses, and Europe recorded its worst wildfire season with over 1 million hectares burned.

<https://commercial.allianz.com/news-and-insights/expert-risk-articles/allianz-risk-barometer-2026-natural-catastrophes.html>

Artemis reports Q1 2026 catastrophe bond issuance of \$6.7B (the second most active Q1 in history), with an outstanding market of \$63.9B (a new record, up 4% from end of 2025), including 35 transactions comprising 56 tranches. UCITS catastrophe bond funds reached ~\$19.8B AUM at the end of Q1 2026.

<https://www.artemis.bm/news/catastrophe-bond-momentum-persists-in-q1-2026-with-6-7bn-of-risk-capital-issued-report/>

In May 2026, the International Association of Insurance Supervisors (IAIS) reported climate change is a source of financial risk, impacting the resilience of individual insurers and global financial stability. <https://www.iais.org/activities-topics/climate-risk/>

WWF reports climate-driven disasters are undermining the stability of the U.S. insurance system, with uninsured losses surging and premiums skyrocketing, while nature loss strips communities of their first line of defense against floods, storms and heat.

<https://www.worldwildlife.org/news/nature-breaking/climate-change-nature-loss-are-driving-an-insurance-crisis/>

NOAA's next billion-dollar disaster report release is June 8, 2026 (2026 data not yet available).

<https://www.ncei.noaa.gov/access/billions/>

CANADA

Insurance Bureau of Canada/CatIQ reports 2025 insured severe weather losses of \$2.4B (down from the record \$9.4B in 2024). The decade 2016-2025 saw \$37B in insured losses, nearly triple the \$14B from 2006-2015. Two decades ago, annual insured damages seldom exceeded \$500M, but billion-dollar years are now the norm.

<https://www.newswire.ca/news-releases/severe-weather-related-insured-losses-in-canada-exceeded-2-4-billion-in-2025-860293953.html>

Key 2025 events include the March ice storm in Ontario and Quebec, May wildfires in Manitoba and Saskatchewan, August Prairie storms, and December floods in British Columbia.

<https://www.abc.ca/news-insights/news/severe-weather-related-insured-losses-in-canada-exceed-2-4-billion-in-2025>

Uninsured losses in Canada due to climate impacts are estimated at about three times insured losses, potentially reaching \$100 billion annually by 2050.

<https://policyoptions.irpp.org/2025/10/economy-adaptation/>

WHAT IS THE DEFINITION OF INSANITY?

The more fossil fuels we burn, the more CO₂ accumulates in the atmosphere, the more frequent extreme weather becomes and the more climate damage and economic instability we face. Scientists have warned humanity for over 60 years about these facts. Yet, despite all the warnings and a clear path forward, we are not on track for a liveable future. This is insanity.

The Wisdom of Simon Sharpe

In a nutshell: The transformation of the economy will not be linear. It will be shaped like the letter S. It will begin slowly, then accelerate sector by sector, jurisdiction by jurisdiction, country by country and accelerated by a coalition of the willing. Best of all, the transformation is already underway!

In January 2026, Citizens' Climate Lobby hosted a call with Simon Sharpe, a leading expert on climate economics and policy, with experience guiding international climate efforts including COP26. He helps governments understand how bold, strategic action can accelerate the low-carbon transition. In January 2026, he shared with us a vision of the path forward full of common sense.

Here's the simple truth about how real change happens. At the start of any big economic shift, clean solutions are expensive and unfamiliar. People resist. That's why early subsidies matter. You build first. You scale. Costs fall. Solar is the proof. Once China and others went big, prices collapsed and the world followed.

But subsidies alone are not enough. Once clean options exist and are affordable, carbon pricing becomes powerful. That is when it really works.

The UK shows this clearly. A carbon price pushed coal out of electricity eight times faster than almost anywhere else. Norway shows the same pattern with cars where they taxed gasoline vehicles and subsidized electric vehicles.. When electric vehicles were cheaper to buy than gasoline cars, sales flipped. Not slowly. Fast.

This is not about virtue. It is about prices. When clean technology is cheaper than fossil fuels, the transition accelerates on its own. That is the steep part of the S-curve, and once you are on it, change becomes unstoppable.

As well, the data show that if a small group of major players, including Canada, the EU, the UK, China, and climate-leading U.S. states, tip key sectors, the rest of the world follows. Not because they want to be good global citizens, but because it becomes a smart economic choice.

Build first. Then break fossil dominance. And do not confuse the order. Align with a coalition of the willing. Presto! We can transform the economy five times faster.

Our Rights and a Liveable World

On July 28, 2022 the UN General Assembly declared access to a clean and healthy environment a universal human right. <https://news.un.org/en/story/2022/07/1123482#>

In July 2025, the International Court of Justice (ICJ) landmark delivered the following opinion: *Failure of the state to take appropriate action to protect the climate system from GHG emissions including through fossil fuel production, fossil fuel consumption, the granting of fossil fuel exploration licenses, or the provision of fossil fuel subsidies may constitute an internationally wrongful act which is attributable to that state.*

The opinion is non-binding, and is not enforceable but experts say it could influence the outcome of climate change court cases globally. <https://news.un.org/en/story/2025/07/1165475>

On May 20, 2026, the UN backed the ICJ rulings sending a strong message that tackling the climate crisis is a legal duty under international law, and not just a political choice. <https://www.ungeneva.org/en/news-media/news/2026/05/118891/general-assembly-backs-historic-world-court-climate-crisis-ruling>

In Canada, there are currently four climate lawsuits invoking Sections of the Canadian Charter of Rights and Freedoms to hold governments accountable for climate inaction.

1. Mathur et al v. Ontario (2019) - A pioneering lawsuit launched in November 2019

Status: It was the first climate lawsuit that ruled in favour of the plaintiffs under our Charter rights. In February 2026, the youth plaintiffs announced they were returning to the Ontario Court of Appeal after the Ford government repealed Ontario's climate laws.

<https://ecojustice.ca/file/genclimateaction-mathur-et-al-v-her-majesty-in-right-of-ontario/>

2. La Rose et al v. Canada (2019)

Status: The Federal Court of Canada confirmed that the youth plaintiffs will proceed to an 8-week trial, set to begin on **October 26, 2026, in Vancouver**. The case argues that the federal government's inaction on climate change violates the plaintiffs' Charter rights to life, liberty, and security of the person. <https://www.ourchildrenstrust.org/canada>

3. Dykstra et al v. Saskatchewan Power Corporation et al (2023)

Status: The case challenges the construction and operation of new gas-fired power plants and the province's emissions reduction. The Saskatchewan Court of King's Bench dismissed the Charter claims as not justiciable on October 10, 2025. The appeal is now pending, with the appellants filing their factum on January 15, 2026. A Court of Appeal was held on April 17, 2026.

<https://www.sustainablesask.ca/court-action.html>

4. Coal Power Judicial Review – CPJ et al v. Saskatchewan (2025)

Status: On January 12, 2026, the Court of King's Bench dismissed the judicial review application, ruling that the decision to extend coal plant operations was a matter of public policy and not for the courts to determine. The applicants filed a notice of appeal in February 2026, and the appeal is now before the Saskatchewan Court of Appeal.

<https://cpj.ca/saskatchewan-legal-action/>

Big Oil's Lobbying Blitz: Why Your Voice Matters More Than Ever

A recent report from Environmental Defence Canada reveals a staggering reality: in 2025 alone, fossil fuel companies and their industry groups held **986 lobbying meetings** with the federal government—nearly four per day. Who's at the table? The Canadian Association of Petroleum Producers, Enbridge, Shell Canada, and Suncor are among the most frequent visitors, targeting key ministries like Natural Resources, Environment and Climate Change, and Finance. Even Prime Minister Carney has met with Big Oil lobbyists **17 times** since the election.

Their message is clear: roll back climate rules, weaken regulations, fuel-tax suspended, and fast-track pipelines and LNG projects—all under the guise of “national interest” and “energy security.” The result? Industry demands are advancing in Ottawa, while policies that actually cut emissions are being diluted or dismantled.

We can change this. By showing up, speaking out, and demanding our government prioritize citizens over shareholders, we can shift the balance. Let's make sure our leaders hear us—loud and clear.

<https://environmentaldefence.ca/wp-content/uploads/2026/03/Big-Oils-Lobbying-Playbook-2025.pdf>

Focus is CCL Canada's Superpower

Why Focus Matters

In 2011, Vancouver NDP MP Libby Davies told us the biggest lobbying mistake is leaving MPs unclear about what the constituent actually wants. Our focus on specific, effective policies honours Marshall Saunders's vision and our core value of focus.

“What's needed is thousands of ordinary people organized, lobbying their [representatives] with one voice, one message, and lobbying in a relentless, unstoppable, yet friendly and respectful way.”
- Marshall Saunders

Our Approach: We build relationships with MPs around targeted policies, not by sharing everything we know. Our process is data-driven: we review lobbying asks twice yearly, meet monthly to assess progress, and consult experts and MPs. When considering new asks, we evaluate **resources, momentum, political leadership**, and whether the policy will cut fossil fuel pollution without burdening taxpayers.

The Bigger Picture: The industrial carbon price is under attack. We learned from losing the carbon rebate that **spreading ourselves** too thin weakens our impact. With over 40 million people in Canada, we provide an open-source template for advocacy and encourage others to replicate it rather than ask us to take on their causes.

Diversity of Effort: We respect and support the diversity of the climate movement. If your passion lies elsewhere, join groups aligned with your priorities. Many of us wear multiple hats and know when to wear our CCL one. Effective advocacy requires time and in-person engagement, and we celebrate all who do this work.

Gratitude: Blessings to the **builders** of new infrastructure and **blockers** of pipelines and subsidies. We cheer you on and hope you cheer on CCL's **backing** of climate-aligned finance rules and industrial carbon pricing. Thank you for reading and reflecting.

Polling Data

Climate Action Network Canada May 27, 2026

Quebec and B.C. voters in key swing ridings strongly oppose federal funding for a pipeline. New polling shows that seven in ten voters (68 per cent) in key ridings for the Liberal Party in Quebec and British Columbia oppose any federal funding for an oil pipeline to the West Coast, or any other fossil fuel expansion projects.

<https://climateactionnetwork.ca/new-polling-quebec-and-b-c-voters-in-key-swing-ridings-strongly-oppose-federal-funding-for-a-pipeline/>

June 2025 Clean Energy Canada data (infographic from the Pembina Institute)

<https://cleanenergycanada.org/poll-two-thirds-of-canadians-favour-developing-clean-energy-over-fossil-fuels-while-85-wish-to-maintain-or-increase-federal-climate-action/>

Canadians want climate action, **now.**



67% of Canadians **favour clean energy** development over fossil fuels



85% of Canadians wish to **maintain or increase** federal climate action



70% of Canadians **feel pride** in becoming a **renewable energy** superpower

New polling from May 2026, via Abacus Data:

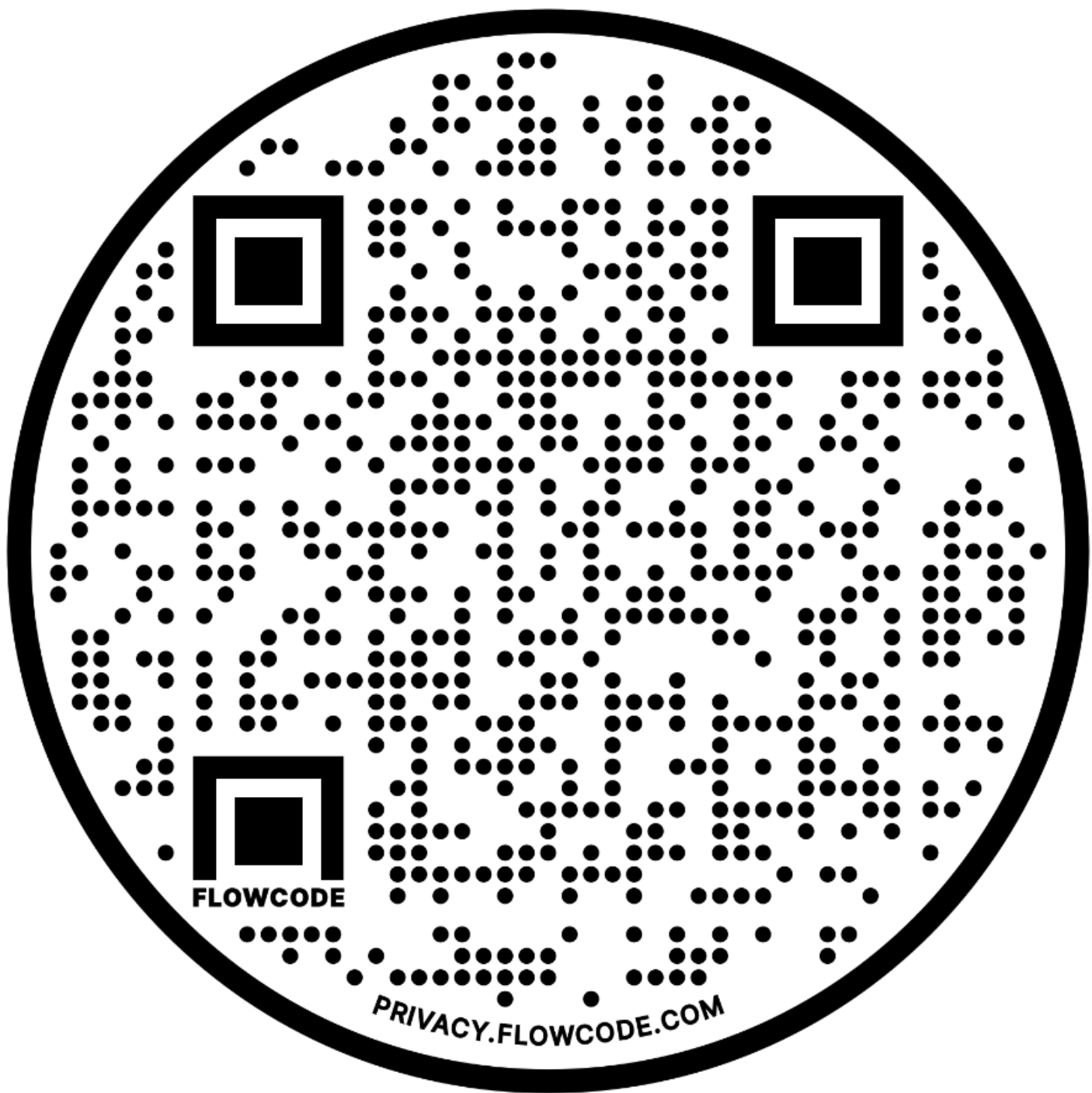
Canadians are more than twice as likely to support increasing Alberta's industrial carbon price to \$130 per tonne by 2030 (47%) than delaying this increase until 2040 (22%).

In Alberta, more people (43%) support that stronger 2030 target than a delay to 2040 (33%)

Canadians AND Albertans do NOT want public dollars spent on a new pipeline.

62% of Albertans are in favour of regulations on oil & gas corporate emissions versus only 20% opposed.

But the Federal Government *failed* to negotiate \$130 per tonne by 2030 and instead gave in to a SEVERELY weakened Industrial Carbon Price that could 'decimate' green industry and jobs. They are also exploring how to publicly finance a new pipeline....



Scan to go to the webpage dedicated to this booklet.