



POLICY AND REGULATORY REFORM IN CANADA'S ELECTRICITY SECTOR:

A Pathway to a Sustainable Future



Presented by
SGIN

Executive Summary

This white paper examines the critical need for policy and regulatory reform to support Canada's transition to clean electricity and achieve its net-zero emissions goals. Drawing insights from the Canadian Electricity Advisory Council's (CEAC) "Powering Canada: A Blueprint for Success" report, it outlines key challenges in the current regulatory landscape and proposes comprehensive reforms to accelerate the deployment of clean energy projects.

The paper highlights the urgency of streamlining approval processes, aligning institutional mandates with net-zero objectives, and enhancing inter-regional cooperation. It recommends specific actions for policymakers, including improving the flexibility of Clean Electricity Regulations, reforming project approval processes, and developing a framework for inter-regional transmission projects. These reforms aim to create a more conducive environment for clean energy investments while maintaining reliability and affordability. By implementing these recommendations, Canada can significantly accelerate its clean energy transition, positioning itself as a leader in sustainable economic growth and environmental stewardship.



SGIN Energy Leadership Series

The SGIN Energy Leadership Series delivers accessible understandings concerning our continuing need to drive clean energy implementation and at and at scale. In this series our industry network of leaders share insights and understandings as to the major issues we face and break down the myths and noise that can be barriers to achieving clean beneficial energy for our subsequent generations.

Introduction



Canada stands at a critical juncture in its journey towards a clean energy future. As the nation commits to achieving net-zero emissions by 2050, the electricity sector plays a pivotal role in this transition. However, the current policy and regulatory landscape presents significant challenges that could impede progress towards these ambitious goals.

This white paper based on the Canadian Electricity Advisory Council's "Powering Canada: A Blueprint for Success" report, provides a comprehensive analysis of the challenges and opportunities in Canada's electricity sector. Building on the CEAC's insights, this white paper focuses specifically on the critical need for policy and regulatory reform to accelerate the clean energy transition.

The transition to clean electricity in Canada faces a dual challenge: decarbonizing existing grids and significantly expanding capacity to meet growing demand. This requires not only technological innovation but also a fundamental rethinking of the policy and regulatory frameworks that govern the electricity sector. The current regulatory environment, designed for a nearly steady-state industry, is ill-equipped to handle the rapid growth and transformation needed.

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Challenges in the Current
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Key Areas for Policy and
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Key Areas for Policy and
Regulatory Reform

SECTION 1

Challenges in the Current Regulatory Landscape



Permitting Delays

Canada ranks second worst among 38 OECD countries for project permitting speed. This delays clean energy projects, hampering progress toward climate goals.



Institutional Misalignment

Many institutions in the electricity sector have mandates that do not align with Canada's net-zero objectives, creating unnecessary obstacles.

SECTION 1



Clean Electricity Regulations

The current regulations may not offer enough flexibility to address regional differences and could hinder clean energy progress.



Indigenous Participation

Indigenous communities face challenges in participating fully in clean energy projects, despite the fact that much of the required infrastructure is on their ancestral lands.



SECTION 2

Key Areas for Policy and Regulatory Reform



Clean Electricity Regulations

Improve flexibility to better accommodate regional starting points and differences.



Institutional Alignment

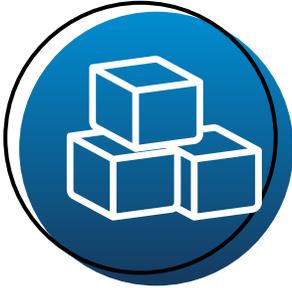
Ensure federal and provincial agencies are aligned with net-zero objectives, fostering coordination across government levels.



Project Approval Process

Streamline the review process, shift to compliance-based frameworks, and develop mechanisms to reduce duplication in project approvals.

SECTION 2



Inter-Regional Transmission Projects

Encourage greater cooperation on transmission projects with governance structures and standardized cost allocation mechanisms.



Indigenous Engagement

Expand funding and support for Indigenous communities to engage in clean energy projects and benefit from new opportunities.



Harmonizing Electrical Codes

Lead a national effort to harmonize electrical codes and standards to support the rapid deployment of clean energy technologies.



SECTION 3

Recommendations for Policy and Regulatory Reform



Improve Clean Electricity Regulations

Adapt regulations to account for regional differences while maintaining a path toward net-zero electricity.



Rebalance Investment Tax Credits

Focus ITCs on long-term (2050) roadmaps and expand eligibility to include intra-provincial transmission projects.

SECTION 3



Institutional Mandates

Integrate net-zero objectives into the mandates of key agencies like the Canada Energy Regulator and provincial institutions.



Establish a Clean Electricity Project Champion

Appoint a federal position or office to drive reforms, streamline approvals, and oversee the Clean Electricity Projects of Canadian Interest (CEPCI).



SECTION 3



Modernize and Harmonize Electrical Codes

Lead a national initiative to modernize electrical codes, removing barriers and ensuring consistency across regions.



Support Indigenous Participation

Expand the Indigenous Loan Guarantee Program and provide additional resources to Indigenous communities to engage with clean energy opportunities.



Conclusion



As Canada moves forward with its clean energy transition, it must recognize that the regulatory frameworks of the past are no longer sufficient for the challenges of the future. By implementing these reforms, Canada can position itself as a global leader in clean electricity, driving sustainable economic growth while meeting its climate commitments.

The time for action is now. With a clear blueprint for reform and a commitment to implementation, Canada can power its way to a clean, reliable, and prosperous energy future.

