



**RE: [Assessing](#) regulatory, policy and market impacts on Canada's electricity grid modernization**

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Thank you for this opportunity to contribute to Natural Resource Canada's (NRCan) consultation on the **regulatory, policy and market barriers and opportunities** for accelerating the pace of electrification and electricity grid modernization. The Conservation Council of New Brunswick (CCNB) strongly supports electrification as a solution to climate change. Achieving our zero-emitting grid goals between 2030 and 2035, however, requires effective interregional planning, best practice in public and indigenous engagement, and legislative and regulatory reform. We believe Conservation Council of New Brunswick recommendations should inform the work of the Pan-Canadian Grid Council.

Our submission makes recommendations five areas:

1. Interregional transmission planning processes
2. In-province renewable energy development and transmission
3. Institutional gaps
4. Financial investment; and
5. Community engagement.

#### Recommendations

Our priority recommendation to remove regulatory, policy and market barriers and create opportunities is to **establish a robust interregional transmission planning process** focused on decarbonization and maximizing the reliable and affordable integration of renewable energy in provinces and regions. Critically, we **need a balance of in-province renewable energy development and interregional integration through transmission networks.**

The goal of Government of Canada engagement should be robust multi-way electricity trade and storage capacity where all participants benefit economically and from a reliability point of view. The [Atlantic Loop alone transmission](#) solution is a case in point. Modelling by Navius Research and EnviroEconomics shows the Atlantic Loop is a cost-effective decarbonization solution, but that as a standalone project risks [wealth transfer](#) from provinces like New Brunswick to Quebec. National [public opinion](#) research shows this is concern for Canadians due to worries over [energy security](#).

Canada also needs to **consider institutional gaps** limiting robust planning. Can Canada achieve rapid electricity decarbonization and build-out without a national version of the U.S. Federal Energy Regulatory Commission (FERC)? FERC plays a critical role in establishing transmission requirements, including, according to [Phil Duguay](#) in a recent Policy Options opinion piece, interregional planning processes, and to ease development and permitting, and get transmission projects to construction, while creating major ratepayer, environmental and social benefits.

In the case of the Atlantic, we strongly urge the Government of Canada to match the U.S. Inflation Reduction Act investment in regional transmission planning. [Duguay](#) notes that the Inflation Reduction Act (IRA) “earmarks \$100 million to unite state governments, regulators, utilities, generators, transmission developers and civil society in a process of creating “a planned national transmission grid” to enable renewable energy and other clean power technologies. New England states [recently applied](#) to the Department of Energy’s Grid Innovation Program to enable regional integration of offshore wind. The coordinated effort emerges from the New England [Vision Statement](#) for a Clean, Affordable, and Reliable 21st Century Regional Electric Grid (Vision) where New England States committed to engaging in a collaborative and open process that closely aligns with the goals and priorities of the Department of Energy (DOE) Grid Resilience and Innovation Program ([GRIP](#)) program, which seeks to improve grid reliability and resilience, promote decarbonization of electricity supply, and advance community benefits and Justice40 goals.”

In addition to national institutional gaps, there are regional institutional gaps. Currently, Newfoundland and Labrador and Prince Edward Island are not fully integrated into the Northeast Power Coordinating Council, Inc. ([NPCC](#)). The Conservation Council strongly urges the Government of Canada to ensure that Atlantic Loop discussions and negotiations:

- Require and support Atlantic-wide interregional transmission planning and integrated resource planning.
- Expand interregional planning between Atlantic Canada and New England.
- Consider institutional creation or expansion for electricity system operations if the Northeast Power Coordinating Council is not the appropriate body. Include Newfoundland and Labrador and Prince Edward Island in these institutional coordinating bodies.
- Invest in renewable energy and storage within provinces along with the Atlantic Loop.

There is strong support for interregional planning in the U.S. that needs to be matched here in Canada. A [recent report](#) funded by the Natural Resources Defense Council (NRDC), GridLab, the Clean Air Task Force (CATF), the American Clean Power Association (ACP), and the American Council on Renewable Energy (ACORE) makes the case for the economic benefits of holistic planning. The United Kingdom is benefiting from processes that support [holistic network system](#) design. HEC Montreal’s Christophe Bouchet and Pierre-Philippe Pineau called for

Atlantic and New England electricity system planning. The Transition Accelerator called for greater transmission network planning to ensure [efficient decarbonization](#).

In addition to planning support, effective electrification also requires **significant financial investment**. The federal spending power must be contingent on commitments to planning but also in-province electricity act and energy utility board legislative and regulatory reform. The [Green Budget Coalition](#) is calling for significant federal investment of \$12-billion over five years to update the provincial grids and deploy new high transmission lines as more renewables are integrated onto the grid. An additional \$3-billion over five years for an investment tax credit to support clean electricity, including renewables and energy-storage technologies. These kinds of investments into renewables and transmission lines will support projects like the Atlantic Loop and in-province renewables, and from the perspective of an organization based in New Brunswick, a strong financial support package for will be essential to getting off coal and advancing our zero emitting goals to build an affordable and reliable electricity system for the future.

Finally, transmission build-out will not happen without **best practice in community engagement** and consultation. Conservation Council [research shows](#) that to successfully implement transmission and renewable energy projects, communities of interest need to be engaged in the early planning stages, to have a say over siting and to have access to fair, open and transparent processes and community benefits agreements. Our pathway to decarbonization is just as much about energy democracy as it is about transmission lines and renewable energy technologies.

#### Conclusion

Canada has an opportunity to become a global leader in the clean electricity transition by moving towards a net-zero grid by 2035. It is imperative that Canada keeps the promises made at COP26 (Glasgow 2021) to accelerate action towards the goals of the Paris Agreement, especially with the recently released Intergovernmental Panel on Climate Change's Synthesis Report. UN Secretary General [Antonio Guterres](#) called on developed countries to raise their ambition in tackling climate challenge with a list of seven immediate actions – one action being to reach a zero-emitting grid by 2035.

Sincerely,  
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