

BRIEFING NOTE

BUILDING AN EAST-WEST GRID WITH RENEWABLES

On September 24 and 25, 2025, representatives of labour unions, Indigenous clean energy leaders, elected municipal leaders, doctors, faith groups and environmental organizations will travel to Ottawa to meet with members of Parliament. The groups will be seeking a government commitment to treat building a national east-west grid powered by renewables as a nation-building project that will offer broad employment, affordability, health and community benefits. This effort builds on detailed recommendations in a July 2025 joint letter by more than 100 groups across Canada.

POLICY RECOMMENDATIONS

- Commit \$20 billion in federal capital investment toward strategic electricity transmission projects, in partnership with provinces, territories, Indigenous nations and utilities.
- Uphold legal and inherent Indigenous rights, including FPIC and UNDRIP, and support for Indigenous-led and Indigenous-owned renewable energy and grid infrastructure projects.
- Implement key labour supports, including training, Canadian content rules and prevailing wage guarantees for projects.
- Reconfirm Canada's commitment to a net-zero grid and the Clean Electricity Regulations.

ACTIONS

Raise these recommendations and prioritize building Canada's east-west grid with renewables within your party's caucus and with federal ministers.

BACKGROUND

Building out Canada's east-west electricity grid is necessary to unlock affordable, secure, renewable electricity to power Canadian homes, businesses, industries and Indigenous communities.

Canada's electricity needs are projected to <u>double or even</u> triple before 2050, due to increasing electrification of industry, transportation and heating. Upgrading Canada's east-west transmission grid has been studied by the <u>federal government</u>, interregional planning bodies, expert <u>advisory councils</u> and <u>leading energy modelling initiatives</u> for over a decade and has consistently been shown to <u>save</u> ratepayers money and increase system reliability.

Grid upgrades are foundational to achieving Canada's commitment to a net-zero electricity system and Canada's broader climate goals, by <u>unlocking better integration</u> <u>of low-cost renewables</u>. The shift toward renewable electricity also brings significant reductions in air pollution and <u>billions in savings</u> from avoided health care costs. Investing in Canada's east-west grid will unlock significant private sector investment in renewables, building on the more than \$31 billion in investments already in procurement across all regions in Canada.

September 2025

In recent polling, 77 per cent of Canadians support upgrading Canada's grid by connecting provinces and territories with new transmission lines, while 72 per cent support federal funding going toward these new transmission lines. There is broad support from business.labour. Indigenous and environmental groups for upgrading the grid to meet these needs. The Green Budget Coalition and Green Budget Coalition over five years, while the Canada Electricity Advisory Council also recommends that the federal government should clearly define governance structures and cost-allocation mechanisms.

The federal government must underpin these efforts by implementing **Canada's Electricity Strategy** and the **Clean Electricity Regulations** in full, resisting efforts to weaken or delay them.

This comes with opportunities to build on the <u>existing</u> <u>leadership of Indigenous Nations in renewable electricity</u> <u>projects</u>, and with the responsibility to <u>uphold Indigenous</u> <u>rights and Indigenous energy sovereignty</u>, including responsibilities under the UN Declaration on the Rights of Indigenous Peoples, and in upholding Indigenous Free, Prior, and Informed Consent.

As Canada faces threats from the current U.S. administration and significant economic uncertainty,

grid upgrades at this scale would create more than 300,000 direct, cumulative jobs by 2050. These projects can facilitate clean economic growth in key sectors and, if materials are procured in Canada, can also bolster sectors directly affected by U.S. tariffs, such as aluminum, steel and manufacturing. To ensure the most benefits for workers, the federal government must implement **key labour supports** as a condition for federal funding on electricity projects, including prevailing wage requirements, training capacity and other just transition priorities.

Until now, these transmission links have been beset by funding challenges and <u>interprovincial trade barriers</u>. Although electricity generation clearly falls within provincial jurisdiction, the federal government has an essential role in convening stakeholders, implementing strategic planning and sending a clear signal of federal priority and funding availability to ensure valuable projects are brought forward.

Canada has the opportunity to align with the global momentum toward <u>economies</u> powered by renewable electricity, where <u>falling costs</u> and efficient electric technologies are outcompeting fossil fuel systems. Consolidating and expanding these gains and opportunities requires a better east-west grid. Improving the grid will require the federal government to take concrete steps and make firm commitments in Budget 2025 and beyond.

CONTACT -

STEPHEN THOMAS

CLEAN ENERGY MANAGER, DAVID SUZUKI FOUNDATION STHOMAS@DAVIDSUZUKI.ORG

THOMAS GREEN

SENIOR MANAGER, CLIMATE SOLUTIONS, DAVID SUZUKI FOUNDATION TGREEN@DAVIDSUZUKI.ORG

PARTICIPATING ORGANIZATIONS





































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