

Electricity Canada's response to the *Getting Projects Built in Canada Discussion Paper on Proposed Legislative, Regulatory and Policy Reforms*

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Submitted to: engagement@pco-bcp.gc.ca

Electricity Canada welcomes the opportunity to provide feedback on the “*Getting Projects Built in Canada Discussion Paper on Proposed Legislative, Regulatory and Policy Reforms*.”

Electricity Canada is the national voice for electricity in Canada. Our members generate, transmit, and distribute power to homes and businesses across Canada. We represent integrated electric utilities, independent power producers, transmission and distribution companies, power marketers, and system operators. Our members deliver electricity to all Canadians, in every province and territory.

To make Canada an energy superpower, Canada must translate *ambition* into *execution*. Growing and modernizing Canada's electricity system is an endeavour of nation-building scale. The task ahead is to build big again, decisively and ambitiously, while providing the affordable, reliable and clean electricity that is at the heart of Canada's energy future.

We have a great challenge ahead. *Powering Canada Strong: A National Strategy for an Electrified Canadian Economy* (National Electricity Strategy) establishes two initial challenges, doubling Canada's electricity supply by 2050 to meet growing demand and accelerating electrification across the economy to support competitiveness and address climate change. A core objective of the National Electricity Strategy is to improve regulatory certainty, streamline permitting and approvals, and ensuring federal policy enables cost-effective mass electrification.

Electricity Canada supports the objectives outlined in the discussion paper and believes that many of the legislative, regulatory and policy proposal have the potential to increase collaboration, simplify processes and speed up approvals. Ensuring that the enabling frameworks are in place to get projects built in a timely manner while protecting the environment and Indigenous rights is a positive first step towards improved regulatory certainty.



While the discussion paper is focused on getting major projects built, it is essential that permitting and approvals become more efficient and predictable for all projects, not just major projects. Doubling the grid will not be achieved through major new generation and transmission projects alone. Canada's energy superpower ambitions depend not only on major projects but also on smaller infrastructure investments. Community-level connections, modernization projects, and upgrades to existing infrastructure are not secondary considerations. They are essential. Moreover, streamlining permits and approvals for the operation and maintenance of existing infrastructure is a crucial component of delivering regulatory certainty for the sector.

Meaningful progress to improve regulatory certainty for all projects will create benefits for ratepayers and accelerate investment in the electricity projects that are core to Canada's economic and emission reductions goals. Currently, proponents build permitting delays into their project timelines. This adds risk to projects by exacerbating supply chain uncertainty, pricing, and overall project timelines.

Permitting delays are not cost-neutral. Every additional month of uncertainty increases development risk, exposes projects to supply chain and interest rate volatility, and ultimately raises costs for customers. Overly onerous permitting and approval processes to maintain and operate existing infrastructure adds cost and complexity and diverts resources away from building out the grid. Faster, clearer, more predictable permits and approvals will not only support investment, it will support affordability for ratepayers.

In 2023, Electricity Canada and Dunskey Energy + Climate released [Build Things Faster](#) which interviewed the builders of Canada's electricity infrastructure about what it would take to achieve a net-zero economy by 2050. The top recommendation was for the government to address permitting and approval processes. It called for implementing "one project, one approval", coordinating federal permitting and approvals through a single central federal office, and strengthening the decision-making capacity of regulators. The report also called for a Canadian Electricity Strategy to support the vision for a net-zero Canadian electricity system. We are pleased to see the government move forward with these recommendations, but implementation will be the true test of success.

Comments on the overview of proposals

Meeting the government's review timeline targets will require ensuring that limited regulatory and proponent resources are focused on higher risk projects. Improving coordination and reducing duplication with provincial processes will be essential. Adopting a risk-based approach that establish timelines, conditions and requirements that are proportionate to the risk of the project is an encouraging approach, but the details on how this will be deployed is critical. Information requests must be focused on what will be needed to make an informed, risk-based decision. Conditions and



requirements must be technologically and economically feasible and aligned with broader objectives. Furthermore, regulators must be appropriately resourced and empowered to make decisions in a timely and efficient manner.

1. **Federal review and decision-making in no more than one year.** Electricity Canada has long called for faster approval and permitting decisions. We are pleased to see the government move forward with these ambitious timeline targets and the objective of concurrent permitting and approval decisions. As the government moves to implement these objectives it is important that the regulatory processes are in fact streamlined and not simply front-loaded. Additionally, reducing duplication with provincial processes will help reduce decision-making timelines.
2. **One Crown consultation process:** Electricity Canada is supportive of efforts to ensure there is one clear and coordinated Indigenous consultation process for major projects to help avoid consultation fatigue. Improved coordination between federal and provincial consultation efforts is welcome. Our members are committed to early engagement with Indigenous peoples and will continue to build upon these important relationships.
3. **One project decision:** While Electricity Canada is supportive of the principle of “one project decision” we will refrain from further comment until details of the legislative changes for certain projects listed under the *Physical Activities Regulations* are released. Electricity Canada has made comments regarding possible amendments to the *Physical Activities Regulations* that we believe would better align the regulation with the *Impact Assessment Act*’s jurisdiction.
4. **Single project authority:** In principle, Electricity Canada is supportive of assigning project decision-making responsibility to the organization with the most expertise, including delegating responsibility to appropriate provincial bodies when appropriate. Ensuring any transition in regulatory responsibilities is coordinated and executed in close collaboration with regulated entities is imperative to success.
 - The discussion paper proposes making the CNSC responsible for reviews for nuclear and uranium projects. The CNSC’s expertise in nuclear regulatory frameworks could improve efficiency. However, this will only be successful if paired with specific implementation measures that ensure end-to-end timelines including establishing clear and concise criteria for determining “significant adverse federal effects”, clearly defined service standards for all stages of the review and licensing process aligned with the one-year federal review timeline, and adequate resources at the CNSC.



5. **Enable economic zones through regional impact assessments:** Electricity Canada supports the objective of streamlined project reviews and is intrigued by the proposal to establish Federal Economic Zones. We are interested in learning more about this proposal, particularly how this will be coordinated with the provincial governments.
6. **Streamlined and efficient regulatory environment:** Electricity Canada supports the objective of streamlining regulatory processes.
 - We support the proposal to narrow the types of activities that require navigation permits and look forward to further details.
 - We are pleased to see the commitment to providing greater flexibility in fish and fish habitat offsetting requirements, as the requirements are restrictive and burdensome. However, the recent amendments to the *Authorizations Concerning Fish and Fish Habitat Protection Regulations* which amend some offsetting requirements, must be accompanied by additional policy changes to achieve meaningful flexibility for the electricity sector, particularly for existing hydroelectric facilities.
 - Ensuring project requirements are technically and economically feasible is strongly supported. If successfully implemented, this proposal will have a measurable impact on investment and affordability.
 - The possibility of carrying out preliminary construction activities in parallel with environmental assessment processes could help reduce project timelines for large-scale infrastructure projects.

While the legislative, regulatory, and policy proposals outlined above are encouraging, they will not, on their own, be sufficient to achieve the scale of change required to double the grid by 2050. To meet this objective, the government should:

1. **Amend the Clean Electricity Regulations:** The *Clean Electricity Regulations*, as currently drafted, do not work for every province in Canada, creating unnecessary barriers to building the electricity infrastructure to grow and decarbonize the economy. The *Clean Electricity Regulations* must be amended to ensure they work in every jurisdiction and, until they are, they will be a barrier to investment in new generation. We are pleased to see the government's commitment to addressing this concern included in the National Electricity Strategy. It is important that changes happen with appropriate engagement with industry and as



expeditiously as possible. The electricity industry has already provided substantial data on the impact of regulations, which allows for an efficient and focused regulatory process.

2. **Amend the *Fisheries Act***: The 2019 changes to the *Fisheries Act* rendered hundreds of existing electricity generating facilities non-compliant overnight without a reasonable path to compliance. Targeted amendments are needed to restore the purpose of the Act to the protection of fisheries and ensure a sensible path to compliance for existing infrastructure, particularly the hydroelectric facilities that are the backbone of Canada's renewable energy supply. Additionally, a hydro specific regulation should be development to specify which projects, works, undertakings, or activities require a Fisheries Act authorization. More details can be found in Appendix A: Proposed Legislative Changes.
3. **Amend the *Physical Activities Regulations***: We propose a set of changes to the *Physical Activities Regulations* to ensure that provincial assessments are used when appropriate, the right projects are covered under the Act, assessments move with the necessary speed, and consultations are conducted appropriately and in a timely manner. More details can be found in Appendix B: Proposed Regulatory Changes.
4. **Amend the *Migratory Bird Regulations***: Electricity companies, through robust vegetation management operations, maintain over 165,000 kilometers of transmission lines and over 700,000 kilometers of distribution lines in every region of the country to avoid power outages, wildfires and maintain public safety. There are limited and challenging compliance pathways under the *Migratory Bird Regulations* to undertake these necessary activities as well as to respond to emergency situations. The regulations should be amended in a manner that is practical and supports electricity companies' ability to conduct vegetation management activities at the pace and scale required to keep Canadians safe.

Canada's electricity sector is ready to build. The challenge is no longer a lack of ambition – it is the need for regulatory systems that can match the pace, scale and urgency of the investment required while protecting the environment and upholding the rights of Indigenous peoples. Electricity Canada and its members look forward to working with the federal government to ensure Canada can build the electricity infrastructure needed to support affordability, reliability, decarbonization and economic growth.

We appreciate the opportunity to provide input for this process. We would like to arrange a session between your team and our members to discuss these issues in greater detail. Please do not hesitate to reach out at Powell@electricity.ca if you have any questions.



Kind Regards,

A handwritten signature in black ink, appearing to read 'M Powell'.

Michael Powell
Vice President, Government Relations
Electricity Canada





Appendix A: Proposed Legislative Amendments

Fisheries Act

Replace 34.4 (1) of the Act with:

34.4 (1) No person shall carry on any work, undertaking or activity, other than fishing, **that results in significant harm to fisheries and fish populations.**

Appendix B: Proposed Regulatory Amendments

Physical Activities Regulations

1) We commend the Agency for proposing to exclude fossil fuel-powered generation from the PAR, given the existing federal/provincial/territorial regulatory processes in place to assess their impacts. We suggest that hydropower projects and highway and access road construction associated with hydroelectric facilities, be similarly excluded from the PAR, given that it is primarily a provincially regulated activity.

2) The federal government should fully use the appropriate provincial environmental assessment processes instead of invoking an additional federal review process, especially for projects such as those in our sector, which are primarily provincial. To facilitate this, the federal government could enter into potential delegation/substitution agreements with the provinces to ensure it could participate in provincial assessment processes (when an activity is primarily provincial) and reduce duplication and delay for project proponents.

3) The federal government should use “Strategic and Regional Impact Assessments” where feasible to have one overarching review of important emerging technology applications (e.g., offshore wind). In most cases, this would include participation from the relevant provinces. This can lead to much simpler IAAs for individual projects, consistent with the findings of the Strategic or Regional Assessments.

4) The federal government should fully utilize early-stage impact assessment work to screen out or greatly reduce the scope of projects with minimal environmental impacts that are within its jurisdiction.

5) The federal government should acknowledge the role of Provincial Crown departments regarding Indigenous Consultation, especially for projects in the electricity sector. Work should be done in advance of specific projects to identify meaningful but timely ways to address the interests of Indigenous Peoples. This has often proven to be why impact assessments are



extended or delayed. It should be noted that many electric utilities have well-developed, longstanding relationships with Indigenous communities that should allow for more timely Consultation on proposed projects.